FT No. 31,279 THE FINANCIAL TIMES LIMITED 1990 Wednesday October 17 1990

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### Three US **economists**

to share

### **Nobel Prize** American economists Harry Markowitz, Merton Miller and William Sharpe won the 1990

Nobel Economics Prize for pio-neering work in the theory of financial economics and cor-porate finance. Page 2 Currency fraud

Rast Germany's state foreign trade bank was defrauded of about DM500m (\$330m) after currency union with West Germany last July, Berlin justice authorities said. German and foreign citizens had claimed rential exchange rate for fictitious exports.

**Iraq-linked arrests** Customs and Excise officers raided the UK headquarters of an Iraqi-owned engineering complex and arrested three British directors during an investigation into suspe illegal exports of machine tools

Bhutto visit allowed Pakistan's former prime minis-ter Benazir Bhutto, battling for re-election despite charge of misrule, halted a police raid to visit her arrested husba

Russian Federation president Boris Yeltsin, who returned to work last Friday three weeks after being hurt in a car accident, has been sent home again on doctor's orders.

Paolo Gucci loses Paolo Gucci, grandson of the founder of the chic leatherware house, was banned from using the Gucci name on his products in Britain by a judge who accused him of telling lies in court. Page 26

Kenya inquiry An inquiry into the murder of Kenyan foreign minister Robert Ouko opened in Kis-umu a month after British police gave the government an independent report.

Li verdict soon A verdict is expected today or tomorrow in the corruption trial of Ronald Li, former chairman of Hong Kong's stock

Police beat women Ivory Coast police used tear gas and batons to break up a women's demonstration for press freedom. Several women were hurt and 50 arrested. Pho-

Friendship journey South Korean premier Kang Young-hoon crossed one of the cold war's last frontiers to the North Korean capital of Pyongyang for talks on ending 45 years of hostility. Labour shortage, Page 4

Rebuke to Japan The US Senate voted to withdraw 5,000 troops a year from Japan unless Tokyo pays the cost of American forces there. Tokyo row, Page 4

African leader ill Zeph Mothopeng, 77, leader of South Africa's radical Pan Africanist Congress of Azania, is gravely ill with cancer in

### Priest folls IRA

A Roman Catholic priest talked two masked Irish Republican Army bombers into calling off an attack in Northern Ireland. They were holding six hostages, including a woman due to give birth in

Swoop on Mafia Police arrested 14 organised crime bosses at Marsala, Sicily, on a tip-off from a woman

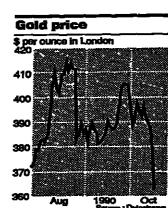
gangster whose Maña lover was gunned down by rivals. Byatt wins Booker British author Antonia Byatt won the Booker Prize, the UK's top literary award, for her

CONTENTS

### **Conditional** approval for **Courage and Grand Met deal**

swap proposed by Courage and Grand Metropolitan, is to be

GOLD had another hectic and chaotic day closing last night in London down by \$18.25 a



troy ounce to \$361.50 - lower than its level before the Gulf crisis. Page 37

WALL STREET stocks fell sharply after a two-day advance, battered by rising oil prices and unes oil prices and uneasiness over the direction of the federal budget. The Dow Jones industrial average fell 35.15 points to 2.381.89. Markets, Section II

SUMITOMO Bank, leading Japanese commercial bank, which has been hit by an illegal loans scandal and by financial diffi-culties, was dealt a further blow with the resignation of three top executives. Page 26 BANK of France has lowered its compulsory reserve levels, cutting the cost of funding for French banks and raising

expectations of a cut in bank base interest rates. Page 2 EUROPEAN Community farm. ministers look increasingly unlikely to accept a 30 per cent cut in agriculture subsidies.

Page 26 VARIG, Brazilian airline, has signed a \$2.16bn contract to buy 14 aircraft from US aircraft maker, Boeing. Page 3

CREDIT Commercial de France, French commercial bank, has reported a 4 per cent rise in first-half net profits to FFr356.4m (\$67.8m). Page 28

BANCO Bilbao Vizcaya, Spain's higgest bank, is likely to pay more than \$10m in fines Central Bank to end an angry dispute over an alleged fraud in the rapidly growing Chilean debt-equity swap market.

MERRILL Lynch opened what is expected to be a season of singgish results from Wall Street securities houses with a 12 per cent rise in its net income for the third quarter.

US pharmaceuticals giants posted robust growth in earn-ings, in line with analysts' ectations. Page 30

MAN Nutzfahrzeuge, commercial vehicles subsidiary of MAN, the German engineering group, increased net profits by 45 per cent in the year ended June, 1990 to DM158m (US\$103m). Page 27

NATIONAL Power, largest UK electricity company, plans a large increase in the use of natural gas in electricity generation. Page 26

**Business** and the Environment

TODAY: the FT launches a weekly page on Business and the Environment, analysing how companies are reacting to environmental issues. Page 17

# **Business Summary**

The creation of the UK's second largest brewing group through the pubs-for-brewerie allowed by the government, but only under strictly limited conditions. Page 27

stake in Interfing, the former East German carrier, opening the way for a possible partner-ship between Interfing and a foreign carrier.

Lufthansa had sought to pre-empt any deal between Interfing and any other western car-rier by attempting to acquire a 26 per cent stake in the arrime. However, the Federal Cartel

reservations over the move.

By Andrew Fisher in Frankfurt and Paul Betts in London LUFTHANSA, the German day to drop its application national airline, has withdrawn its application to buy a stake in Interfug, the former day to drop its application appeared designed to avoid the embarrassment of a possible refusal on competition After Lufthansa announced

its intention to buy 25 per cent of Interling, the deal became part of a controversial debate over the extent to which com-petition should be promoted while the economy in east Germany was being rebuilt. Yesterday, Lufthansa said its withdrawal reflected the fact Office in west Berlin expressed

application, if necessary.
It made clear that it now hoped for a quick decision from Bonn over Interflug's As with many other companies in the east, Interflug is a loss-maker with ageing equip-

Lufthansa wanted the stake

beforehand and make another

holder in both airlines.

It did, however, hold out the possibility of "a merger in another form", stating that it would consult the cartel office. increase its share of traffic in Germany and Europe.
If Lutthansa had stood by its offer, but the cartel office had confirmed its rejection, the company could have turned to the Economics Ministry to have the rejection overturned on the grounds of public inter-est, but the outcome of such a move would have been uncer-

Lufthansa, 51 per cent of which is owned by the Bonn government, argued that a stake in Interflug would not

Lufthansa drops application for 26% stake in Interflug

Lufthensa, which has taken over Pan Am's Berlin service, plans extensive services into Berlin starting on 28 October, after the ending of restrictions imposed by the Second World War allies on flights into the city. British Airways is understood to have expressed interest in acquiring a large minority stake in Interflug. Such a move would be consistent with its strategy of developing new European hubs with a view to expanding its operations in eastern Europe. BA last week signed an

soviet airline, to conduct a fea-sibility study on the possibility of setting up a new joint inter-national Soviet airline called Air Russia.

agreement with Aeroflot, the

But BA has so far been unable to make a business judgment over the taking up of a 49 per cent stake in Interflus because of a lack of informa-tion about the former East Gertion about the former East German carrier. In spite of repeated requests by BA, this information has not yet been

# Gorbachev attacked over pace of market reforms

PRESIDENT Mikhail Corbachev yesterday unveiled his long-awaited economic reform programme and imme-diately antagonised radical critics with the vagueness of the plan's commitment to a

market economy.

The programme, an attempt to combine the Soviet government draft with a radical stratneed draft with a rankal strategy drawn up under Professor Stanislav Shatalin, is lukewarm about private property and avoiding hyper-inflation.

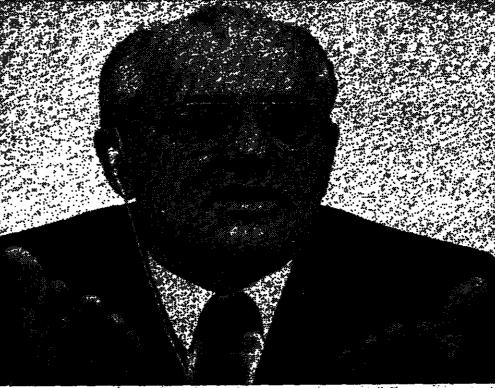
The document, submitted to deputies before a formal pre-sentation by the Soviet leader on Friday, also drops any notion of a specific timetable for implementing reforms.

The Shatalin plan's 500-day schedule was seen as a crucial prop for the nation's murale, enabling people to hold the government to some kind of abortive tinkering with economic reform. Mr Boris Yeltsin, President

of the Russian Federation, attacked the Gorbachev plan as "an attempt to preserve the (old) administrative-bureaucratic system", and said it was doomed to failure. The news agency Tass quoted Yeltzin, a long time critic of Mr Gorbachev's eco-

nomic policies, as saying implementation of the programme might force the Russian Federation to create its own currency, army and cus-toms system and refuse to co-operate.
Although the Russian Partia-

ment has already adopted the 500 day programme - envisag-ing sweeping privatisation and a draconian monetary and credit policy-it is unlikely to be able to implement it in iso-lation from the rest of the



Mikhail Gorbachev: he omitted a specific timetable for the long-awaited reforms While the new draft talks As well as alienating the about privatisation and the destatisation of the economy, already appears to have been decreed price rises inevitable.

it makes no provision for a comprehensive sell-off of state property. Neither does it men-tion the likely closure of unprofitable enterprises. In contrast to the Shatalin plan, which seeks to divide up collective farm land among farmers, the presidential plan calls for recognition of "different kinds of property" and the closure only of collective farms which perform poorly.

rejected by the Baltic repub-lics, which had backed the Shatalin programme.
The three republics boycotted a meeting of republican leaders to discuss the docu-ment last Saturday.

For some radical economists, much of the Shatalin programme was already short-circuited last week by recent moves such as a 50 per cent increase in the government's

decreed price rises inevitable.
"The sluices for inflation are already open," said Professor Evgeny Yasin, a senter government economist who helpeddraft both the Shatalin plan and Mr Gorbathev's latest pro-Mr Yasin said it was possible

the Soviet parliament would put the proposals to a vote as early as Friday. Blessing for Moscow's new commodity exchange, Page 2

# Goldsmith and Hanson swap \$1bn of assets

By Nikki Talt in New York and Kenneth Gooding in London

LORD Hanson and Sir James Goldsmith, two of the world's most successful deal-makers, yesterday said they were to swap gold and timber assets worth more than \$1bn.

The deal involves Hanson, the likeled Angle American

the UK-based Anglo-American conglomerate, selling most of its troublesome 49 per cent shareholding in Newmont Mining Corporation, the largest North American gold producer, to a Goldsmith company called General Oriental Investments. A small part of the Newmont stake - 7 per cent of the gold company - will be bought by one of Lord Rothschild's com-

In return, and for the same total price - \$1.80a - Hanson will buy 99.5 per cent of Caven-ham Forest Industries, the sirth-largest private owner of US timberlands and a company which emerged from Gold-smith's takeover of Crown Zel-lerbach in the mid-1980s.

Hanson has been attempting for the past year to find a buyer for the Newmont share-holding which it acquired in August 1989 with the takeover of Consolidated Gold Fields, the UK mining and industrial group.
Hanson then attempted to

sell part of the stake via a pub-lic offering but withdrew last Thursday after the Newmont price had fallen steadily and the gold market went sour. Analysts suggested that the deal with Sir James Goldsmith would enable Hanson to about break-even on the Newmont

Cavenham currently owns around 1.7m acres of timber-

land in Oregon, Washington

State, Mississippi and Louis-iana. Its other interests include timber mills and some oil and gas properties in the south.

Trading profits of Cavenham Forest were around \$97m in the year to end-March on sales of \$275.5m, and the pro forma

assets were put at \$1.6bn at end-September. In the reciprocal deal, General Oriental Investments is buying 42 per cent of Newmont for \$1.111bn in cash, while one of the quoted Rothschild companies, St James Place, is acquiring the remaining 7 per cent for \$189m in notes exactly matching the cash it receives from the sale of the stake in Cavenham Forest.

Sir James Goldsmith mad clear yesterday that he intends to reduce General Oriental Investments' stake in New-mont but his advisers declined to give a hint about the scope or the timing of this reduction. or the timing of this reduction.

Analysts suggested that Sir
James was taking a view that
the price of gold, currently relatively low, would eventually
recover and take the Newmont
price high enough to give him Sale of the Newmont stake

by Hanson is subject to the existing standstill agreement which gives Newmont the right to match the cash portion of the current transaction within sixty days, although few analysts thought Newmont would do this.

Because of complex option arrangements between St James Place and RFT Capital Partners, the other quoted investment trust in the Roths-child stable, the benefit from the transaction will eventually show up in RIT.

# Congressmen put pressure on Bush over BNL loans to Iraq

By Alan Friedman in Washington

ANGRY members of the US Congress yesterday alleged that part of the \$5bn unauthorised loans to Iraq made by Italy's Banca Nazionale del Lavoro (BNL) were used to finance purchases of militarily useful equipment and possibly even Iraq's invasion of Kuwait. Officials of the Bush admin-istration were subjected to tough questioning by members of the House of Representatives Banking Committee, which yesterday opened the first US public hearings to be held since the BNL loan scan-dal broke 13 months ago.

It emerged then that the Atlanta, Georgia, branch of BNL had been involved in more than \$3bn in unauthor-ised letters of credit to Iraq. A grand jury in Atlanta is exam-ining allegations of bank fraud and bank reporting violations and possible kickback pay-

Mr Henry Gonzalez, chairman of the House Banking Committee, decided to go ahead with its BNL hearing despite strong pressure from the Bush administration to US agency that guarantees

limit public discussion of the Mr Richard Thomburgh, the attorney general, had told Mr Gonzalez that he was dis-tressed by the decision to go ahead with the hearing as the BNL scandal is "a sensitive case with national security concerns". A similar criticism was made by Mr William Ses-

sions, director of the FBL
Mr Gonzalez alleged yesterday that the BNL loans "permitted Iraq to spend their
scant hard currency on some of the very weapons that are now aimed at our children". He also said the BNL affair was a case study in regulatory fail-

Mr William Taylor, director of banking supervision at the Federal Reserve Board, said the BNL scandal "involved massive fraud in which a large number of employees acted together to conceal the operations and deceive audiors and examiners". Mr Paul Dickerson, a senior official at the US Commodity Credit Corporation (CCC), the

agricultural exports, yesterday revealed a \$20m liability over loan guarantees for exports to load of which the Paris Iraq, of which the RNL component was \$347m. The most heated criticism of

Bush administration officials came from Mr Charles Schumer, a New York legislator suggested it was possible "the invasion of Kuwait may have been fully or partly financed by BNL money. Mr Schumer described the state-ments from administration officials as sounding "like an apologia for Saddam Hussein". Mr Joseph Kennedy, Congressman from Massachus-setts, attacked the US Eximbank for having continued to

approve \$200m of loan guran-tees for Iraq after Saddam Hussain "used poison gas against his own people". Mr Kennedy also expressed anger that the US government faced more than \$200 of lesses on guaran-teed Iraqi loans. "We have a president who is talking about going to war with these people and now we are going to guarantee their unauthorised

# What's the most liquid stock index option in Europe?

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### ion, a mystery

World Trade: West wraps up Soviet aluminium Michael Milken on trial: -3 the hottest show in town Ivery Coast polk A move away from authori-Survey: A four-page guide to business travel ss in the Environment: Product 'Integ-Cleaning up California: Campaigning for a

nty': the Japanese weapon ... sweeping environmental initiative Editorial Comment: A warning on credit; Flat beer from MMC Privatising the east bloc: The rocky road to a

# Arts Guide, Reviews ...

Intl. Capital

Michael Milken, the former junk bond king, has already agreed to pay \$600m in fines. Now a US judge must devise an appropriate entence, which could range from community work to up to 28 years' imprisonmen

DM2.9650 (2.975) FFr9.9325 (9.9676) SFr2.5025 (2.515) Y249.0 (250.25) £ Index 95.0 (94.9) GOLD New York: Comex Dec \$365.1 \$362.5 (379.25) N SEA OIL (Argus) Brent 16-day Dec \$36.775 (35.625)

Chief price changes yesterday: Page 27

MARKETS

STEELDIG

New York: \$1,965 (1,9465)

\$1,9570 (1,9535)

New York: FFr5.0625 (5.115) SFr1.27595 (1.2905) Y127.505 (127.75) DM1.5155 (1.523) FFr5.0750 (5.1025) SFr1.2785 (1.2875) Y127.20 (128.15) \$ index 60.5 (60.6) Tokyo close: Y128:05 US junctituse rate Fed Funds 8% 3-mc Tressury Bills: yield: 7.38%

FT-8E 190: 2,083.6 (~ 18.5) FT Ordinary: 1,616.3 (~13.9) FT-A All-Share: 1.007.88 (+0.7%) New York: DJ Ind. Av. 2.381.19 (35.15) 88P Comp 300.24 (~2.99) Tokyos Nikkei 23,606.10 (+496.90)

STOCK MOICES

LONDON MONEY closing 18%-134% (1343)

# Paris drags its heels over pact with Moscow

FRANCE is dragging its heels in negotiations with the Soviet Union over a bilateral agree-ment similar to that Moscow initialled with Bonn.

President Mikhail Gorbachev is expected to visit France on October 28 and 29, and a decision on the agreement, which is due to be signed during his trip, will have to be taken very

The Soviet Union is auxious to reinforce its relations with western Europe by negotiating hilateral treaties with several other European governments.
Negotiations are under way
with the UK, as well as with
two other major west European countries, according to
French officials.

But disagreements between Paris and Moscow, and an unresolved debate within the French administration, mean that it is uncertain whether the Franco-Soviet agreement will turn out to be a binding treaty like the German-Soviet

The recent tendency in the French government has been to down-grade the status of the agreement from a treaty to that of a simple declaration expressing general goodwill.

The government has misgivings about the principle of negotiating a treaty with the Soviet Union at this moment, and serious objections to Soviet proposals that a Franco-Soviet Treaty should include a non-aggression commitment, along the lines of Article 3 in the German-Soviet treaty.

French officials concede that this article is not a literal or a legal infringement of Germany's existing security com-mitments under the North Atlantic treaty or the treaty of Western European Union. But they maintain that it is politically at variance with the spirit of these treaties.

Moreover, they also question whether it is inherently desirwhether it is inherently used to able for western European countries to conclude a network of binding bilateral treaties with the Soviet Union at this moment. First steps in laying out the groundwork for a new European security archi-tecture are supposed to be taken at the 35-nation pan-Eu-ropean CSCE summit next month, and it is not necessar-ily sensible to pre-empt that meeting with a series of agreements with the Soviet Union, they say.

French worries over the planned Franco-Soviet agree-ment are paralleled by reservations over the joint declaration between the European Commu-nity and the US, which is scheduled to be signed immedi-ately before the CSCE Summit.

The question is whether the declaration should institute any new institutional link between Washington and Brussels, in addition to the regular discussion meetings which take place between the two sides. The French are opposed to anything which might even appear to give the US a 13th

### **Bank of France cuts** reserve levels

By George Graham in Paris

THE Bank of France has lowered its compulsory reserve levels, cutting the cost of fund-ing for French banks and raising expectations of a cut in bank base interest rates.

Compulsory reserves, which are held without remuneration by the Bank of France in proportion to each bank's level of deposits, will be reduced by around FFr26bn from their current level of FFr76bn (£7.4bn)

The measures are expected to lead to a cut of perhaps a quarter of a percentage point in the French bank base rate, currently 10.5 per cent, while leaving the Bank of France's money market intervention

rates unchanged. Mr Jacques de Larosière, governor of the Bank of France, said the modification of the compulsory reserve requirements had been under study since January. The central bank was concerned to discourage banks from shifting their deposits to other centres,

such as Luxembourg, where they escape such requirements. The economic climate, with a slowdown in activity and slower money supply growth, had made it possible to carry out this reform, which will

mean a slight loosening of monetary policy, he said.

The rate of compulsory reserves for time deposits, bank bills, certificates of deposits and many transfer and many trans deposit and repurchases will be cut to 0.5 per cent from 3 per

The rate for passbook savings accounts, which was

also 3 per cent, will be scaled back to 2 per cent. At the same time, banks will be allowed to count their holdings of notes and bills as parting of their compulsory reserves.

Mr de Larosière said this would bring the French system

use compulsory reserves.

requirements.
This year has been one of

cates of deposit, sight and time deposits and repurchases.

three new aggregates, P1, P2 and P3, covering investment vehicles such as bonds, shares and insurance policies.

# Blessing for Moscow's new commodity exchange French



A Russian Orthodox priest, sprinkling holy water and chanting "Pray to the Lord," yesterday blessed a new Moscow commodity exchange at a ceremony in the headquarters of the Soviet-led economic bloc Comecon, Reuter reports

The traditional Russian blessing for new enterprises, unprecedented since the 1917 revolution, follows the open-ing last month of the country's first functioning commodity exchange.

Organisers say this exchange will be bigger and different because it is not controlled by the government.

The exchange, known as the Moscow Commodity, Raw Material and Stock Exchange, is a joint stock company

based on an existing organisation that has been conducting experimental trading for the past six months.

Resembling an auction or a clearing house for physical goods, it is a far cry from the sophisticated commodity markets of the west and represents a return to the mercantile traditions of

Russia's pre-revolutionary past.

The Russian republic's light industry minister, Mr Alexander Biryukov, said the exchange would improve raw material distribution and boost supplies of scarce consumer goods.

"We will have some guarantees of supplies of raw materials, which will help us to improve supplies of con-sumer goods so badly needed in this

"Above all we can trade in footwear here, various types of clothes and other goods," he said.

At the founding ceremony, Father Sergei led a chorus of liturgical singing before a congregation of about 300

exchange members and guests.

The Comecon hall, with a makeshift altar at centre stage adorned with candles and an icon to the Virgin Mary, was once the scene of talks between eastern European communist leaders defending their faith in central plan-

Exchange sponsor Konstantin Borovoi said any commodity could be traded from cement to washing

machines, grain, computers and industrial machinery. Mr Alexander Volovik, a trader, said he hoped that foreign companies would take part in the new exchange. "Stock exchanges are practically absent from our country. People are living without an exchange. They cannot live without it, but they still do," he said.

"The Soviet rouble does not work.

"The Soviet rouble does not work.

The exchange is a beginning that allows our sick economic system and falling rouble to stabilise and become convertible," he said.

Russia's first commodity exchange opened in Leningrad in 1703. By 1914 there were 115 commodity and stock

# Turks flounder

government planned to execute held on death row to counter a wave of political violence. Politicians from all sides

were still trying to explain the government motion that parliament — which has the power to decide on death sentences handed down from the courts — come to an immediate decident sion on the execution of prisoners on death row. The proposal struck many Turks as being almost as brutal as the killings

Ironically, it was President Turgut Ozal who had hitherto backed parliament's stance, in the hope a more humane approach would improve Turkey's image in the west.
But Mr Mehmet Kececiler, a

state minister said this week that renewed executions could be a deterrent for other terrorists. According to the Turkish Human Rights Association, there are 287 people still awaiting parliament's decision, many of them charged with crimes committed more than

10 years ago.
This latest government proposal has been condemned by every serious newspaper and attacked by opposition politicians. It has also reportedly split the ruling Motherland Party ANAP. The controversy coincides

with a growing public belief that the authorities are increasingly powerless to deal with the problem of political violence, although the authorivinines, annual the state of the worst violence, last week announced a doubling in the size of the city's police force, Death threats seem an

almost daily feature in the life of a Turkish public servant, and many people carry firearms. Since the introduction of new rules earlier this year, all parliamentarians have to leave their guns in a lobby, following a shooting incident inside the chamber between two deputies.

two deputies.
Since the beginning of the year more than 20 people have been killed. In January Mr Muammer Aksoy, head of the Turkish Law Association, was gunned down in Ankara. The following month the prominent Turkish journalist, Mr Cetin Emec, was murdered. In the most daring incident, Mr Hiram Abas — the former intelligence chief known in Turkish papers as James Bond — was shot in his car last month.

Islamic extremists claimed responsibility for Mr Aksoy's killing, while Mr Hiram is believed to have been the target of the banned Dev Sol, a leftist terrorist group active in

in fight against terrorism

John Murray Brown reports on how a move to counter political violence has backfired badly

URKEY was 'yesterday trying to contain the political damage after a who are co-operating with the semior minister claimed the Mafia which makes the police. force untrustworthy in the ish public," complained one former senior officer dismissed

for accusing his colleagues of supporting illegal fundamental-The latest controversy follows the murder 10 days ago of Mrs Bahriye Ucok, one of the most respected politicians on Turkey's moderate wing, a secularist and a defender of the rights of women. One observer said the turn-

out at her funeral last week represented the largest public gathering since the massed demonstrations of the 1970s. The government hailed the gathering as further evidence of the public support for its

drive against terrorism.

Yet even on this issue it seems there is not a political consensus. Newspapers noted

Four bombs exploded in

northern Cyprus early yes-terday in an apparently politically-motivated campaign. No one was hurt, Reu-

paign. No one was hurt, Renter reports from Nicosia.

Explosions destroyed cars belonging to left-wing politicians, a businessman and a retired army officer.

No one has claimed responsibility. The "Cyprus Turkish People's Movement" has carried out previous bombings.

that the wreath sent by President Ozal was left lying outside the mosque. It was then turned

upside down.

Three days before her death Mrs Ucok had submitted a report to parliament on the subject of Islamic fundamentalism. The day she was buried Anap members turned down an our other to the subject of the sub an opposition request to debate the issue of fundamentalism. Having done so, they pro-ceeded to press for a decree to permit the wearing of religious headgear at universities, an issue Mrs Ucok had strongly criticised in her report. The uproar and confusion over the government's latest

suggestion is a reflection of the public concern at what many stiggestion is a reflection of the public concern at what many Turks see as a chilling reminder of the political chaos which preceded the military coup of 1980. "There are the killers, and the killers of the killers," says Mr Suleyman Demirel, leader of opposition True Path Party, and a former prime minister at the time of the 1980 military intervention. Yesterday his party was calling for a referendum on the issue of the executions. "There is no reason why those com-

is no reason why those com-mitted for crimes in the past should be hanged as a punish-ment for today's murders." he

### inflation rises to 3.8% a year By ian Davidson in Paris

THE increase in French inflation sparked by the Guif crisis continued last month, according to provisional figures released yesterday.

Consumer prices rose 0.5-0.6 per cent in September, after 8.6 per cent in August, the Statistical Institute reported. This takes inflation to 3.1 per cent so far this year and 3.8-3.9 per cent for the past 12 months.

Though this is higher than the 3.1 per cent the government had been forecasting for 1990, officials are comparatively satisfied with the outcome.

Two-thirds of the September

Two-thirds of the September price increase is accounted for by the rise in the price of oil, indicating that internal inflationary pressures remain rea-sonably under control. In addi-tion, inflation in France during the past two months has been lower than in a number of its leading trading partners in Europe, including Italy, Bel-gium, Switzerland and Britain. In the key comparison with Germany, however, the French performance is less favourable; and the gap which had been narrowing has widened again.

### Truck drivers block roads

Spanish truck drivers, angared by rising fuel prices, harricaded roads for a third day yesterday and all but shut border passes into France and Portugal, AP reports from Madrid.

The interior ministry ordered

police to break up barricades on whom have been jailed

Meanwhile in Brussels, Mr Karel Van Miert, the EC trans-port commissioner, urged Italy and Austria to reopen their bor-der to trucks, halted since Mon-day by a dispute over crossing paratits.

permits.
About 1,200 trucks are stranded on both sides of the Brenner pass, the busiest Alpine link between Italy, Aus-

Alpine link between lialy, Austria and Germany.
Austria is issuing a reduced number of crossing permits citing pollution and environmental problems caused by heavy trucks rolling through quiet Alpine villages.

### Dutch awarded drugs prize

The Netherlands, often castigated for its permissive attitude towards drugs, has been awarded a \$10,000 prize by a US formitation for its narcotics policies, Reuter reports from The

Bringer

Hague.
The Washington-based Drugs Policy Foundation, a private organisation which opposes organisation which opposes treating drug users as crimi-nals, awarded the Dutch gov-enument the prize for "its effec-tive and humanitarian drug

The government allows spe-cial "coffee shops" to sell small quantities of cannabis and offers hard drug addicts free

### Nationalists stage Ukraine protest

Tens of thousands of students marched through the Ukrainian capital of Kiev for a second day yesterday to demand the resig-nation of the republic's Commu-nist government, Renter reports from Kiev.

About 70,000 protesters waved blue and yellow Ukrainian national flags as they marched towards parliament. Police did not intervene.

The students and opposition politicians say the government is blocking implementation of the Ukraine's declaration of sovereignty, passed in July.

### Kohl pays visit to wounded minister

German Chancellor Helmut Kohl yesterday visited his inte-rior minister, Mr Wolfgang Schäuble, who is "stable" in hospital after weekend surgery to remove a bullet from his spine following an assassina-tion attempt, Reuter reports from Freiburg.

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# Rising inflation rate threatens Portuguese pact on wages

By Peter Wise in Lisbon

September 1989 and September 1990.

market mutual funds in M3, a broad measure of money sup-ply which also covers certifi-

such as Germany and the US. The Bank of England does not

armed hold-ups of security vans transporting money.

• Mr de Larosière also French money supply measures. The main change is the inclusion of short-term money

closer to those of countries

The move might also increase in the security of banks' cash, by no longer obliging banks to shift their cash surpluses daily to the Bank of France in order to

the worst France has seen for announced a major revision of

M3 is likely to replace M2 next year as the monetary aggregate targeted by the Bank of France, the governor said. The Bank of France will also monitor a new even broader aggregate, M4, which adds to M3 commercial paper and Treasury bills, and will publish

PRICES in Portugal rose 1.1 per cent last month as the Gulf crisis added to pressures thwarting the centre-right gov-ernment's efforts to control inflation.

minition.

The increases, reflecting domestic fuel price rises in August and September of 11 per cent, brought the annual rate of inflation to 12.8 per cent last month, compared to 12.7 per cent in August, the National Institute of Statistics announced yesterday. Prices

The rise in the rate of infla-

EMISSIONS of carbon dioxide

which cause global warming can be cut by a quarter by the year 2005 and 40 per cent by 2020 if international action is

taken now, according to a

report prepared for the world

climate conference in Geneva

at the end of the month.

An abundance of options will

become feasible soon for reduc-

ing greenhouse gas emissions, says the report by the Stock-holm Environment Institute.

tion will fuel doubts raised by trade unions, who are negotia-ting a national wage pact, over the government's ability to reduce inflation from a fore-cast average rate of 13.25 per cent this year to 10.75 per cent

in 1991. This is the target that Mr Miguel Beleza, the finance minister, was expected to announce when he unveiled his proposals for the 1991 budget last night.

prime minister, earlier indicated that the budget would involve increases in indirect taxation and cuts in govern-

main producers of carbon diox-

ide - and the removal of sub-sidies on these fuels. Others

are alternative technologies such as wind and wave power

and improved energy effi-

The report says if no action is taken global energy consumption will increase by between 28 and 45 per cent by the year 2005 and by between 25 and 100 per cent by 2020.

ment spending simed at alow-ing the growth of domestic demand and fighting inflation. But he said the government, which is preparing for a gen-eral election in mid-1991, would increase investment in modernising infrastructure and improving social services.

Mr Beleza was expected to announce a budget deficit of Es612bn (\$4.4bn), representing 6.3 per cent of GDP. This com-pares with a forecast deficit for this year of Es540bn, or 6.5 per cent of GDP. Tax revenue is expected to increase by 22 per

cent to Es2,200bn. Report lists global warming options

> sumption by the year 2005. The suggestion that green house gases can be reduced by 25 per cent by 2005 will put pressure on Britain to improve its target for a reduction in these emissions. So far it has only said it will stabilise carbon dioxide emissions by 2005. The report shows that the top three countries producing greenhouse gases by volume are the US, Soviet Union and China followed by Brazil and Japan. Britain comes seventh after West Germany.

### 55 and 100 per cent by 2020. But the use of energy efficiency measures could halve this projected growth in con-Among the options are car-bon taxes on coal and oil - the Three US economists share Nobel prize

Michael Prowse on the winners' pioneering work in the theory of corporate finance

THE 1990 Nobel Prize for Economics was awarded yester-day to three US academics for their pioneering work in the the-ory of financial economics and corporate finance.
Professors Harry Markowitz,

Merton Miller and William

Sharpe will share the prize of SKr4m (£384,000) which they will receive on December 10 at the Nobel ceremony in Stockholm. Financial services have been among the most buoyant sec-tors in all industrial economies in recent years. And financial markets have attracted a degree of public interest that would have been

unthinkable in previous It is entirely fitting, there-fore, that the 1990 Nobel Prize for Economics should have been awarded to three US economists who helped lay the foundations for a theoretical understanding of how

"This year's award will not generate any surprise in aca-demic circles," said Professor Mervyn King, head of the Financial Markets Group at the London School of Economics. "All three are regarded as father figures and all have had a major influence on the theory and teaching of corporate finance.

Many economists would Many economists would a professor at the University of Chicago's business school, born in 1927 and a professor is best known for joint work



at Baruch College, City University of New York, effectively founded modern investment theory with his pioneering article Portfolio Selection, published by the Journal of Finance in 1952.

Mr Sharpe, born in 1954 and a professor of finance at Stanford University, built on Mr Markowitz's foundations, helping to forge what is now helping to forge what is now known as the capital asset

pricing model.
Mr Miller, born in 1923 and



Father figures in financial economics: from left, Professors Markowitz, Sharpe and Miller

Professor Franco Modigliani of MIT, who won the Nobel economics prize in 1985. Prior to Mr Markowitz's Prior to Mr Markowitz's path-breaking analysis it was generally assumed that the risk premium which investors would demand on a particular financial asset would depend largely on the variability of the expected return on the asset. If the expected income stream was highly uncertain, the required risk premium would be high.

The capital asset pricing

The capital asset pricing model shows that this is not

the case. Investors care not about the variability of the return on any particular asset but about the risk associated with their entire portfolio. What matters, therefore, is the degree to which the returns on a particular asset are correlated with those on other investments and with the business cycle in general.
An asset with a highly variable return can have a low
risk premium provided the expected return is out-of-step with those on other assets.

The famous Modigliani-

Miller theorems, established

in the late 1950s and early 1960s, show that under perfect competition (and ignoring tax effects) the cost of capital to a company – and its market value – will be independent of both its debt-equity ratio and its dividend pay out ratio. These are counter-intuitive results: a heavily indebted company might be expected to be worth less and pay more for capital than one with few debts. In later important work, Mr

In later important work, me Miller showed that tax incen-tives favouring debt over equity finance would not influence the desired debt/equity ratios of individual com-panies although it would affect the aggregate debt ratio of an economy. of an economy.

Unlike some previous winners of the Nobel prize —
such as Milton Friedman and
Friedrich Hayek — Professors
Markowitz, Sharpe and Miller
are unlikely to become household names. Their work is
highly technical and they represent no strong ideological
position.

But the award should prove But the award should prove popular within the economics profession. The growth of financial markets in the 1980s has been mirrored by a burgeoning of financial economics as a sub-specialism within academic departments.

The Nobel award will add to the growing prestige of this still relatively junior branch the 1970s.
But the police have singu-

### **WORLD TRADE NEWS**

# Caterpillar supplies | West wraps up Soviet aluminium foil deal machinery to two Romanian mines

By Judy Dempsey, recently in Bucharest

CATERPILLAR, the US-based maker of construction and earthmoving equipment, will provide machinery to two comenian mines. This is one of the first major contracts between a western company and Romania since the Decem-

ber revolution:
The contract, understood to
be worth \$50m, will involve
Caterpillar supplying 212
machines for coal moving and
transportation, as well as preparing roads at the mines and
providing technical training providing technical training and back-up. The machinery is due to come on-stream between October and mid-1991.

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October and mid-1991.

The machines, earmarked for the coal mines in Rovinariand Motra—one of the key centres of the mining industry—will be paid through a barter system. Caterpillar will produce some equipment locally.

Mr. Jean Loetscher, Caterpillar's commercial director for eastern Europe, said the company is interested in obtaining jeeps and textiles as a means of financing the comfract.

Caterpillar began negotia-

Caterpillar began negotia-tions with Romania as early as January. The authorities are

a year, despite a potential of: perhaps twice that The indus-try desperately needs new machinery, spare parts and training facilities.

Caterpellar intends to make a long-term commitment to sup-plying heavy equipment. "We plying heavy equipment. "We are not in here for the short term. This is only the beginning. We do not expect it to be easy. But it will be worth it given the vast potential of the country." Mr Loeischer said.

Nicolar Casussessus many sec.

Nicolae Cenusescu, many sec-tors of the economy were starved of capital investment. Since 1982 the authorities had effectively banned imports and foreign credits as part of a strategy to repay Romania's \$10bn foreign debt at break-

But since July, when Mr Petre Roman, the prime minis-ter, announced his new, largely technocratic, government, min-isters have been keen to attract foreign investment. Under the terms of recent leg-islation, foreign investors will be allowed to repatriate hard currency profits after a 30 per cent tax, and will be permitted to hold a 100 per cent stake in

Kenneth Gooding on business developments in eastern Europe's metals industry

8 AN example of indus-trial, banking and A trial, banking and international country co-operation, the deal for a \$200m aluminium foil plant to be built at Sajanogordsk, in Siberia, takes some beating. The agreement involves a Soviet consortium which will share 70 per cent of the venture, Reynolds Metals, secondlargest of the US aluminium companies, and Fata, the Ital-ian industrial concern, which ian industrial concern, which will each have 13.5 per cent; and the San Paolo Bank of Italy, which will take the rest. As Mr Bill Bourke, chairman of Reynolds Metals, points out, the Soviet Union brings to the deal cheap metal, cheap power and a craing need for packer.

deal cheap metal, cheap power "and a crying need for packaging products".

Fata brings 100 per cent financing by a group of Italian banks lead by the San Paolo Bank, and the technology to build and equip the plant.

Reynolds will design the plant and operate it in return for technology and management fees.

ment fees.

The Soviet Union will keep about 30 per cent of the foil and the rest will be sold by Reynolds via its European marketing network. Reynolds will need to repay the banks about \$32m a year in hard currency to service the \$150m debt, so Reynolds will take at least enough of the foil to cover this

Fata has 30 years experience in the Soviet Union. Reynolds has cemented the deal by taking a 10 per cent stake in the Italian group. Mr Bourke says: "The interest in Fata offered us the opportunity to do deals which otherwise would have taken 20 years to set up. The foil plant is the first of what we hope will be a number of deals in the Soviet Union."

Mr Bourke says Soviet offi-cials already are talking to Reynolds about converting the foll into packaging products in their country while at the same time US companies moving into the Soviet Union also want Reynolds as a supplier there.

He says the cost to Reynolds is only \$2.6m. No price for the stake in Fata has been revealed but Mr Bourke promises: "We will more than get our money back on the Fata shareholding with the Soviet

The Soviet Union first decided to build the foil plant with Fata in 1987 but the contract was not signed until last year. The new plant will employ about 650, take molten metal from a neighbouring Soviet aluminium smelter and convert it into about 47,000 tonnes of foil a year.

Mr Randy Reynolds, chief executive of Reynolds interna-

tional, is "sure we will get a quality product out of Russia".

He said the Soviet smelter, while not "state of the art", was relatively modern and the quality of the aluminium it produces was good.
All the international alumin-

ium companies agree that east European markets offer great potential for their metal, par-ticularly in building, construction and packaging products. But they are wary and can-tious. Alcan, the Canadian group which produces more aluminium than any other

company in the world, has signed a co-operative agree-ment with a number of companies in the former east Germany covering rolled products and foil. Alcan's German subsidiary will provide technology and the partners will sell Alcan's aluminium building Mr Jacques Bougle, Alcan's

president, points out that Alcan has had a good relation-ship with the eastern bloc industry for 15 years. "We have credibility with that industry." We want to capitalise on that and on our technical abilities. He sees Alcan playing a simi-lar role as it did in the west in the 1930s and 1940s when it helped to establish the use of aluminium in many markets of

Mr Bougie says that the east-ern bloc industry is not intent on scrapping existing capacity and rebuilding it. "They just

Sajanogordsk MONGOLIA USSR

want to ensure that the capac-ity is working as efficiently as dble." Eastern Europe does not have any natural advan-tages which would make it a low-cost supplier of primary aluminium to western compa-nies, he points out.

"Our interest is to develop new markets for aluminium there. But we are not rushing in. We see it as a natural expansion of our activities in Europe."
At Alcoa (Aluminum Com-

pany of America), chairman Mr Paul O'Neill says that his com-pany – the world's biggest aluminium group – has had many approaches for "affilia-tions or joint ventures" in eastern Europe. He says Alcoa has taken only a brief look at them

"we are not pursuing any with vigour because we have enough on our plate in other parts of the world at the

CHINA

Mr O'Neill says: "One of the difficulties is that the data with some of the proposals [on with some of the proposits for eastern Europel does not begin to provide the perspective you would need to make a sensible decision. It is difficult to know what the facts really are. For example, I have not seen Bru [British thermal unit] details to mpare plants with those in

Consequently, "although I'm interested, I don't feel compelled to race around the world to get ahead of the competition eastern Europe," says Mr

### Stronger textile rules urged

URGENT action must be taken to strengthen rules against trading abuses in the international textile industry, says the Apparel Knitting and Textile Alliance (AKT), representing the UK textile industry, Alice

Rawsthorn writes.

In Fair Trade in Textiles and Clothing – A Battle Still to Be Won – published today, AKT identifies five areas where it says the rules are inadequate:

• the "profoundly disappointing" progress in reducing excessive tariff and non-tariff

 the "inadequate" proposals to strengthen the rules against dumping: the investigation process should be accelerated; • the lack of measures to pre-

 the absence of an efficient means of preventing theft of designs and brand names; • the "inadequate" provisions for taking safeguard measures against "damaging import

surges".
The MultiFibre Arrange ment, the mechanism for regu-lating global textile trade, expires next year. The AKT urges, instead, its "gradual and progressive" phasing-out. After the MFA expires, AKT expects a "difficult and often painful adjustment" for the UK industry, providing the present Gatt rules are strengthened

THE POWER OF BELIEF: No.4 in a series

### Japan rejects US proposal for farm trade reforms

By Robert Thomson in Tokyo

THE Japanese government has rejected a US proposal for agri-cultural trade reforms and insisted that a ban will remain on rice imports, despite the present trade liberalisation talks under the General Agree-ment on Tariffs and Trade.

ment on Taritis and Trace.

Mr Tomic Yamamoto, minister for agriculture, forestry and fisheries, said yesterday, that the US proposal, which would replace non-tariff barriers with tariffs, "is suitable for a farm products exporter" such as the US, but is unacceptable for lange.

Mr Yamamoto sald Japan would not review its already-presented farm trade reform plans, which include a general cut of 30 per cent in domestic support for farm products over

10 years, though support for rice and other grains would be cut by only 5.4 per cent over seven years from next year.

Japan is under increasing

sure from the US and other farm-produce exporting nations to open its rice market.

For Washington, rice has become more important as a symbol of Japan's general attitude to trade reform than as a potential source of revenue for US farmers.

cial said yesterday that the US proposal was surprising because "it is a proposal and

not a specific offer".

That perceived lack of "an offer" is seen as a reason for Japan to maintain its ban on imported rice.

### Brazilian airline signs \$2.1bn Boeing order

By Victoria Griffith in São Paulo

VARIG, the Brazilian sirline, has signed a \$2.16m (£1.1bm) contract to buy 14 sincraft from Bosing, the US sincraft maker. The purchase is Varig's biggest.

ever.
The contract includes six Boeing 747-400s, with a unit price of \$154m at today's prices, and eight 737-300s which sell for \$30m each. The deal, which gives Varig an option to buy another 12 sirrors of entails represented over a

craft, entails repayment over a maximum of 20 years. Under a contract signed in February, Varig agreed to buy 15 Bosing 737-800s. The latest

deal raises the total value of Varig's purchases from Bosing to \$3.1bn this year. The first of the 747-300s will arrive in September 1994, and the last deliveries are due at

the end of the decade. Mr Rubel Thomas, Varig's president, said the aircraft will be used to expand the fleet and replace older ones. The comresident, said the aircraft will

pany intends operating a new route to Hong Kong by 1992. The 747-400s, with 408 places, will be used for international flights, while the 787-300s will

### Freer services trade 'must be part of Uruguay Round'

By Peter Montagnon, World Trade Editor

THE WORLD'S trading nations must agree to an actual liberalmust agree to an actual metalsisation of trade in services as part of the Uruguay Round, despite the slippage that has occurred in this part of the negotiation, the European Community Services Group

Says.

The private sector lobby group declared in a statement being sent to the European Commission that it viewed with 'acute concern' the prospect of an agreement that contained no initial liberalisation

concessions.

Trade ministers meeting in Brussels to wrap up the Round in December should insist that specific commitments on services be negotiated during 1991, so they can come into force alongside the basic agreement on liberalisation in 1992.

"Acceptance of the Services "Acceptance of the Services

Agreement by governments cannot be delinked from the initial amount of liberalisation. as to do so would lose both private sector support and the benefits of leverage from being part of the overall undertaking

on many fronts which com prises the Uruguay Round," the statement said.

The group, headed by Sir Michael Palliser, deputy chair-man of Midland Bank, said it wanted the basic agreement to cover all service sectors, with none being treated on a stand-alone basis.

It should have as its corner stone the principle of uncondi-tional most-favoured-nation treatment which requires that all foreign providers of services be treated equally without dis-crimination.

Derogations to this principle might be needed for certain sectors such as air transport and shipping, but they should be transitional and written into the main agreement, to ensure the basic principles would eventually apply to these sectors too.

All sectors should be covered by the same dispute settlement system. There should not be separate procedures applying to individual sectors, the state-

### Germans assess toll road proposal

A US commany has offered to build Germany's first private toll motosway, officials said yesterday, Reuter reports from

The German government is assessing an offer from Sterlin Associates Alexandria to build and operate a 60-mile toll

motorway... The road would run from Dresden in eastern Germany to Goerlitz on the Polish border, according to the transport minmy western Germans, who have long been used to fast cars and toll-free motorways with no speed limits, have been surprised by plans to modernise the antiquated infrastructure in former East

Germany.

These plans include letting private companies build new roads and charge users a toll to

However, a constitutional requirement that the state should run the motorways may prevent a contract going To get people to care about quality. you have to care about them.

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caring about your customers begins with caring about

your own employees. This belief in constant respect for people has led to a dedicated work force who consistently deliver high-quality products. Motorola is committed to providing at least one week

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only one way to care about people, and that's one at a time.

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MOTOROLA

### THE MIDDLE EAST

# Lebanese and French seek to ease Aoun row

By Lara Marlowe in Beirut

FRENCH and Lebanese officials yesterday sought to cool the row between their governments over the fate of Gen Michel Aoun, the defeated Christian leader, who remained in sanctuary at the French embassy in East Beirut - though no immediate solution to the imbroglio looked in sight.

Mr Réné Ala, the French ambassador emerged from his third meeting in 24 hours with Mr Elias Hrawl, Lebanon's president, declaring that France and Lebanon do not intend to permit a crisis to develop between them".

Mr Hrawi's government, meanwhile, softened its tone by saying it had not yet taken a final decision on whether to bring the general to trial.

The row had threatened to flare earlier in the day when the Lebanese army posted an armoured personnel carrier and 12 soldiers just outside the French embassy. However, Mr Hrawi's office later claimed that the deployment was to prevent demonstrators who had lost loved ones in wars

started by Gen Aoun from storming the embassy. The Beirut government appears divided on how harshly to deal with Gen Aoun. The Sunni Moslem prime minister, Dr Selim el-Hoss, is known to favour a more conciliatory approach to the

But Christian members of the cabinet, who have lived for 11 months in West Beirut hotels after Gen Aoun threatened their lives, insist that he be punished.

Christian parliamentarians and ministers blame the general for starting the war against Syria which indirectly led to the loss of Maronite privileges under the Taif agreement, reached last year in

Sandi Arabia.
Some of those close to the president suggest that the stand-off between Beirut and Paris - which has offered the general asylum — could last for weeks and will be resolved only through the intervention

of a third party.
The Lebanese authorities have from the outset presented two conditions for Gen Aoun's departure: that the general must repay money which the Hrawi cabinet claims he disappropriated to finance his own enclave; and second that the French must promise that he will not be permitted to take part in any political

activity in future. "Legally, we have every right to get Aoun back and try him." an official said. "We have as much right — or more right — as the United States had to get Noriega from the Vatican embassy in Panama."

The promise by President François Mitterrand that the general would not be permitted to form a government-in-exile does not go far enough for Mr Hrawi and his ministers.

They were troubled by Mr Mitterrand's comment on Monday that he did not know whether Gen Aoun's fall was permanent. Mr Hrawi's cabinet believes that the general could rally supporters to his cause from exile in Paris without breaching the French president's undertaking.

A source close to the Hrawi cabinet said yesterday that the

return of \$75m (£38m) would constitute an admission by the general that he had taken funds to which he was not entitled.

Mr Hrawi's demand that Gen Aoun not be permitted to engage in political activity reflects the Lebanese government's suspicion that, despite France's public support for the Taif agreement, it still nurtures secret hopes of installing a pro-French Maronite regime in Beirut. Syria would be the most likely third party to mediate any agreement on Gen Aoun's departure. France and Syria have competed for influence in

Lebanon since the former

carved it out from Syria in

France suspected that Syria was behind the assassination in 1981 of Louis Delamare, the French ambassador to Lebanon. And while other western powers refer to the "presence" of 40,000 Syrian troops in Lebanon, French officials frequently refer to Syrian "occupation".

In exchange for letting the general on both the Lebanose

general go, both the Lebanese and Syrian governments will want some behind-the-scenes concessions from France. Government sources here suggest that Paris could use its influence in the European Community to obtain economic aid for both countries.

# What Saddam would be glad to get

IN THE current period of phoney war ten weeks after Iraq invaded Kuwait, it is increasingly vital to penetrate the mentality of President Sad-dam Hussein and the Iraqi leadership.

The only significant shift in Iraqi policy came when on August 8 the sham of a puppet Kuwaiti administration, established in the wake of the invasion, was dropped in favour of outright annexation. This coincided with President Saddam offering a peace plan which has been the sole subsequent basis on which the Iraqi leadership has been willing to talk. The essence of this plan, announced on August 12, was to link a resolution of the problems created by the invasion of Kuwait to all other outstanding Middle East problems. "I propose that all the occupation problems, and those that are portrayed as occupation prob-lems, in the (Middle East) region be resolved simultaneously and on the same prin-ciples and basis as should be

set out by the Security Coun-

cil." Mr Saddam said. This proposal referred to Israeli withdrawal from occupied Arab territory, Syria from Lebanon; but ignored specific reference to a withdrawal from Kuwait. Instead he talked of arrangements for the situation in Kuwait". All subsequent comments from Baghdad have been wholly uncompro-

mising regarding Kuwait. On August 28 Kuwait became the 19th province of Iraq.

At the same time the southern Iraqi province of Basra was renamed Saddami-yat al-Mitla and extended to include the Kuwait side of the Rumeilah oilfields and the two islands of Bubiyan and Warba at the head of the Shatt al-Arab waterway. The latter ter-ritory provides Iraq with its long desired access to the Gulf while the inclusion of the oilfields resolve a long-standing Iraqi claims to the whole of Rumeilah.

The Iraqi leader told King Hussein of Jordan in late in July he had decided to seize all of Kuwait instead of just territory in dispute, because he expected the US to respond militarily. He thought he would be in a stronger position if he could withdraw only far enough to leave Iraq with the disputed territory.

The coincidence of such a calculation with the division of

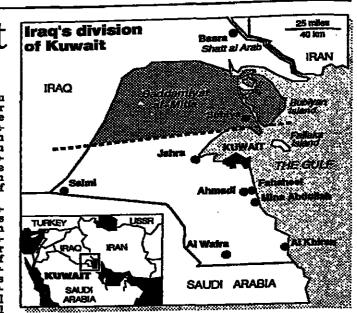
the state of Kuwait into two administrative areas cannot be animistrative areas cannot be ignored. The wrecking of Kuwait city by Iraq over the past two months also suggests a lack of Iraqi interest in holding outo the capital, or even the main oilfields further to the south.

It is also significant that such a plan of selective Iraqi withdrawal was raised with the Soviet envoy Mr Yevgeny Primakov, who saw Mr Saddam in Baghdad on October 5. The Soviets, given their previously close links with Iraq as the main military supplier, have been considered one of the few governments ranged against Baghdad with residual influence. The contents of Mr Primakov's talks have subsequently been relayed to west-

ern governments. Mr Salah Khalaf, ("Abu Iyad"), the number two to Mr Yassir Arafat, chairman of the Palestine Liberation Organisaraissing recently told a French newspaper that Mr Saddam was ready to quit Kuwait pro-vided he received a guarantee the US would not attack him and he could keep a strip of Kuwaiti territory.

Western governments, especially Britain and the US, as well as Gulf leaders remain sceptical of Mr Saddam's intentions. Only yesterday, Mr James Baker, US Secretary of State, ruled out any such par-tial deal. However, Mr Baker's attitude also serves to under-line the dilemma a unilateral and partial Iraqi withdrawal

The objectives of both United Nations sanctions and the Arab and western forces despatched to Saudi Arabia have yet to be clearly spelled out - other than ensure the recovery of Kuwait. The Egyptian and Syrian forces in Sau-



poses; and it must be questioned how willing they would be to attack a brother Arab state if Iraq genuinely offers even a partial withdrawal. Mr Saddam appears to have been surprised by the level of international solidarity against

him and demonstrated his realism early on by handing over to fran everything he fought for during eight bloody years of war. His concessions to Iran, to ensure a peaceful eastern flank, were monumental and indicate that he intends to be a survivor rather than a martyr.

# Storm envelops Japanese troops bill

THE Japanese government's proposed legislation to send troops overseas for com-bat-related activity for the first time since the Second World War ran into the expected storm of protest when introduced in the Diet (parliament) yesterday.

The bill has a number of clauses which upset the pacifist-oriented Japanese and it now looks unlikely to be passed — at least in its present form.

There is a lot of public concern about

this bill, and very little support for it," one western diplomat in Tokyo said yesterday. Other analysts said the row could bring down the 14-month administration of Mr Toshiki Kaifu, the prime minister, and cited evidence that powerful leaders within the ruling Liberal Democratic Party (LDP) had their knives out for him because of his indecisive handling of the Gulf crisis. The bill's provisions are at the hard end

of a spectrum of options that government officials and politicians have been wrangling about for weeks. Mr Kaifu first proposed the formation of a peace co-operation corps at the end of August when he was under pres-sure from the US to provide human as well as financial support to the multinational forces in the Gulf.

Attempts at getting civilians to volunteer for duty in the Gulf had flopped and the government saw little option to enlisting members of the Self Defence Forces (SDF). In an attempt to calm the public's fears of a resurgence of militarism, officials insisted that draftees to the corps would have to leave the SDF, not wear military uniforms or engage in combat-related activity, and would not carry weapons. However, over the past few weeks, under the influence of young LDP leaders, espe-cially Mr Ichiro Ozawa, the party secretary general, the bill has been toughened. As published yesterday, it would enable the peace co-operation corps to provide various services, such as transport and repair and maintenance of materials and equipment, which come quite close to combat activity. SDF members would maintain their status in the force and be allowed to carry a pistol

Moreover, the LDP leadership has pushed

Ian Rodger reports on concerns aroused by the government plan to send forces overseas

a new issue into the forefront, seeking clarification of the constitutional question of whether or not Japan, as a member of the United Nations, would have to participate in a UN peacekeeping force if one were formed. That exercise, of what is being called collective security, is held by some LDP leaders to be compatible with the long-held view that the Japanese constitution rules out the exercise of the right to collective self-defence. Foreign ministry officials, obviously unhappy with the emergence of this highly emotive issue, insisted yesterday that its resolution was not essential to the creation of the peace co-operation corps. It has already raised fears in the public and among many parliamentarians that the LDP is thinking of having the SDF take a direct thinking of having the SDF take a direct role in overseas operations in the future. That concern was behind tough, persis-tent questioning of Mr Kaifu in the Diet yesterday by Ms Takako Doi, the leader of the Japan Socialist Party, and others. Mr Kaifu insisted he had no intention of sending the SDF overseas and that the proposed bill did not violate the constitution, but he did not look confident.

The LDP has a sufficiently large majority in the lower house that, even if there are some defections from committed pacificists, it could push through the present bill. In the 252 seat upper house, however, it has only 113 seats. Even with support of a few conservative independents and one of the mar-ginal parties, it would have difficulty reaching the 126 votes needed to pass it.

The reasons for the aggressiveness of Mr Ozawa and others on the bill's content are not obvious. Some analysts believe that he and other LDP leaders have decided that Mr Kaifu must go, and have deliberately pumped up the bill to the point where it will be unacceptable to the majority in the Diet and the country and will undermine the hitherto surprisingly popular Kaifu cabinet. The problem with that interpretation is that there is no obvious replacement for Mr Kaifu. The stigma of implication in last year's Recruit bribery scandal has virtually worn off the older generation of party lead

ers. But Mr Shintaro Abe, the former for-eign minister, who would be the obvious successor, is ill. Mr Kiichi Miyazawa, the former finance minister and a major faction ader, would have a strong claim. But it is difficult to imagine today's bosses throwing out Mr Kaifu to bring in someone who would be much less malleable, such as Mr The current timetable calls for the bill to be passed by November 11, when the Diet session will end to make way for the

enthronement ceremonies for the emperor.

If this is to happen, its contents would have to be softened considerably.

### **NEWS IN BRIEF**

### Soviet envoy tours west to discuss Gulf

A SOVIET envoy who recently met Iraqi President Saddam Hussein has been sent on a "delicate" mission to three western capitals to discuss the Gulf crisis with the hope of avoiding war, a spokesman said yesterday, Reuter reports from Moscow. Mr Yevgeny Primakov, a member of President Mikhail Gorbachev's Presidential Council, left Moscow yesterday for Rome, then Paris

and Washington, a Soviet government spokesman said.

Meanwhile, Mr Richard Cheney, US Defence Secretary, opened talks in Moscow yesterday with Marshal Dmitri Yazov, his Soviet counterpart, on co-operation in the Gulf crisis and economic and political reforms in the Soviet Union.

### Libya 'could field 1m soldiers' Libyan leader Colonel Muammer Gadaffi says Libya will mobilise

at least im soldlers if the Gulf crisis warrants them, the official Libyan news agency said yesterday, AP-DJ reports from Rome. Col Gadaffi, however, speaking on Monday, did not specify which side the troops might defend.

### Cairo accused of torture

Amnesty International, the London-based human rights group Amnessy mucroania, the London-based human rights group, yesterday accused Egypt's security forces of torturing opponents of the government and misuaing emergency powers to detain them without trial, Reuter reports from Cairo. Amnesty said the security forces were reported to have detained more than 8,000 people for political reasons in 1989.

Opec rules out oil price action Mr Sadek Boussena, Opec's president, said yesterday the organi-sation could do nothing to rein in soaring oil prices and said it was up to industrial countries to help, Reuter reports from

### INTERNATIONAL NEWS

# Africa's success story turns sour

Julian Ozanne on democracy's fragile foothold in the Ivory Coast

NCE feted as a rare African model of politi-cal stability and eco-nomic success the Ivory Coast is now in the throes of upheaval and uncertainty. After 30 years of one-man rule the first multi-party elections are due on October 28. The polls mark one of the most important attempts under way in Africa to move away from post-colonial authoritarianism towards democracy at a time of economic decline and structural adjustment. It is a formidable challenge.

After years of mismanagement, excessive regulation and corruption the country is crippled with an unserviceable \$15bn (\$7.60bn) external debt, exorbi-tant levels of public expenditure, massive capital flight, an oligopolistic productive sector and an export economy dependent on two cash crops whose value in the world market has more than halved in the last four years. The economic crisis has

exposed long-suppressed politi-cal discontent with the regime of President Felix Houphouet-Boigny, or "the old man", who has ruled for three decades. A series of strikes and demon-strations in the last six months has rocked the country.

For the first time a political opposition, legalised in May, is openly challenging the president. It is common now on the streets of Abidian for the "old man" to be derided as a thief, lier and distant as demonstra liar and dictator as demonstra-tors clash violently with the police and army.

At the time of independence

from France in 1960 few observers would have predicted today's political and eco-nomic problems. Mr Hou-phouet-Boigny, unlike other post-colonial African leaders, rejected chauvinism and social-ism, welcomed French technocrats, expatriates and business-men and shunned nationalisation and heavy

nationalisation and heavy spending on defence.

The "Ivorian economic miracle" was based on a simple policy: paying high prices to farmers for their cash crops. Over the next 25 years, with the help of booming world prices for cocoa and coffee, the Ivory Coast became the fastest grow-Coast became the fastest grow-ing non-oil producer in Africa. But in the 1980s cocoa and coffee prices plummetted and



Riot police in Ivory Coast, with rifles and clubs, herd women on to a truck yesterday during an opposition party demonstration for press free-dom broken up by tear gas, agencies report from Abidjan. Fifty women were arrested. The

women called for opposition access to the offi-cial media in the run-up to the country's first multi-party elections on October 28. Police broke up a pprotest on Sunday by several hun-dred supporters of the Ivorian Popular Front.

the clouds of foreign debts and capital flight began to gather. The economy was ill-prepared when the crunch came with tumbling commodity prices. Between 1985 and 1987 average cocca prices fell from \$2,028 to \$1,320 a tonne. In May 1987 the government started defaulting on commercial debts, now estimated at between \$4.5-5bn, including about \$2.4bn (CFA Fr456bn) in

The government eventually negotiated a structural adjustment programme in July 1989 with the International Monetary Fund and a 17 month standby facility worth SDR175.8m.(£129.32m)

SDR175.8m.(£129.32m)
Part of that package was a reduction in the producer price for cocoa from CFA Fr400 to CFA Fr200 a kilogramme, which was implemented last October as world cocoa prices fell further to £815 a kilogramme. In November the Fund released the first tranche of the standby worth SDR27.3m and international donors and international donors pledged \$4bn, 75 per cent in debt rescheduling.

But other measures, in par-

ticular raising revenue to

tackle the mounting govern-ment deficit, were not imple-mented. In February, with domestic debt estimated at CFA Fr500hn and a crippling liquidity crists in the banking system, the Fund refused to disburse the second tranche of its standby facility until radical measures were taken.

The government imposed a 
"solidarity tax" on public sector workers of 15-40 per cent

and 1-11 per cent on private sector workers. This move was met by a wave of protest which forced the government to scrap the measures. Dr Alassane Ouattara, a former IMF director for Africa and governor of the West Africa Control Rept. West African Central Bank (BCEAO) was brought in to

(BCEAO) was brought in to recommend an alternative programme.

But hy then the political genie was out of the bottle. Mounting external pressure for political reform, open revolt on the streets of Abidjan and growing political opposition forced the government to legalise opposition political parties. The "Ouattara" plan aims to cut the fiscal deficit from 18 per cent of GDP in 1889 to 8-10

per cent of GDP in 1989 to 8-10

per cent this year by reducing government expenditure by CFA Fr700bn and raising an extra CFA Fr30bn in revenue. The plan has secured the release of donor financing worth approximately \$950m

Dr Quattara plans a comprehensive privatisation and eco-nomic reform programme. It will start within the next few weeks with the sale of the electricity company. There will also be a debt refinancing also be a debt refinancing scheme, including buy-backs and debt equity swops.

He wants to maintain flexible interest rates, with Ivorian rates at least 1% higher than in France and is strictly against any restrictions on capital flight, estimated for the BCKAO countries at CRA

Rai Hight, estimated for the BCEAO countries at CFA Fr150-180bn a year.

"If people want to get their money out that is their privilege," Dr Ouattara said. "I don't believe in restrictions or investment codes. They just create more bureaucracy."

But while Dr Ouattara's plans may represent a funda-

plans may represent a funda-mental turning point the chal-

lenge of dismantling the regu-latory framework and

LCE price (2 per tonne) 2000

Coffee Value of exports (\$ million) 600 400 200 LCE price (£ per tonne)

1985 86 87 88 89 90 Source: Datastroom

overhauling the economic and fiscal system is formidable. Furthermore, there are political constraints. Although the president has agreed to a multi-party system in theory, Mr Laurent Gbagbo, the leader of the Front Populaire Ivorien, claims the ruling party has already started cheating — buying votes, interfering with electoral registration, denying the opposition access to the media.

media.

Most Ivorians agree that if the government comes clean and acts responsibly a peaceful and acts responsibly a peaceful transition to democracy is possible. But so far the signs are that the "old man" is determined to cling to absolute power by force if necessary. If the opposition carry out their threats of disruption the tentative steps towards expensive. tive steps towards economic reform would quickly be lost. Whether that happens or not will, like everything else in Ivory Coast, depend on the old

# Chinese leaders told | Li jury set harsh truth on attracting investors

CHINA'S old guard communist leadership was told by foreign businessmen yesterday that it had to implement political and economic reforms to attract investors, Reuter reports from

Some speeches delivered to a conference on investment in Shanghai were received in silence by Chinese officials. Mr William Simon, former US treasury secretary, said: "From Latin America to eastern Europe to the Pacific rim, the tide of freedom is rising. The pace of change is quicken-

ing.
"Country after country is discarding old dogmas and looking to light the lamp of liberty to guide them along a new and better road. "Those who stubbornly cling to the old ways will be left behind by millions of people

who for the first time in their lives are going to be free to follow their dreams with minimal interference from the state. But most importantly in this process, China must not be left behind." The Shanghai conference

was organised by the city's reformist mayor, Mr Zhu Rongji, who has been given the green light by the central government for a multi-hillion dollar development project in Pudong in the eastern suburbs. Foreign speakers said that if China was to attract the \$50bn (£25.3bn) needed to make Pudong a success, it had to

open markets to foreign banks, expand Shanghai's stock exchange, tap Chinese savings,

exchange, tap Chinese savings, and recognise the right of private ownership.

Mr Simon, speaking about what he called the "tragedy of Tiananmen Square" — the crushing of pro-democracy protests in Peking in June last year with heavy loss of life - Mr Simon said US businessmen were worried about China's long-term stability and commitment to economic reform.

"China does not guarantee the rights of foreign business operating in your country and

operating in your country and there is no law prohibiting the government from seizing the assets of these enterprises," said Mr Simon, who now heads his own securities firm. Some western participants

said privately they were con-cerned about political uncertainty in China because of its ageing leadership. But most said they were keen to invest in China if the conditions were But one businessman said that some Chinese officials,

prominent foreign investors, had expressed displeasure at what they saw as the negative tone of some speeches.

Mr Simon said a strong signal to the world of China's intentions would be "to pre-

### to consider verdict

By John Elliott in Hong Kong

A VERDICT is expected today or tomorrow in the trial of Mr Ronald Li, the former chairman of Hong Kong's stock exchange, now in its seventh week in Hong Kong's High Court. Mr Li has pleaded not guilty to two charges linked to share purchases in 1986 and 1987 when he was chairman of both the exchange's listing committee and the exchange itself. Maximum penalty on each charge is seven years

imprisonment and a HK\$500,000 (£33,000) fine. Yesterday Mr Justice Bok-hary started his summing up and is expected to finish this morning when the jury of four men and three women, all eth-nic Chinese, will retire.

Mr Bokhary emphasised to

the jury that the "defendant's state of mind is crucial". The prosecution's case is that Mr Li thought he was soliciting a personal reward for the exchange's approval of share listing for the two companies when he rang bankers asking for preferential allocations.

### Japanese prices up

Japanese wholesale prices rose 0.9 per cent last month compared with the same month a year ago due to the impact of the Middle East crisis on fuel prices, Stefan Wagstyl writes. The increase would have been higher without appreciation of the yen, up 5.7 per cent against the US dollar last month.

# S Korea labour shortage forecast

serve Hong Kong as the mira-cle of growth and the model of

free enterprise that it has come to represent".

By John Ridding in Seoul SOUTH KOREA will face a

SOUTH KOREA will face a serious labour shortage by the end of the decade because of a falling birth rate, a senior official at the Economic Planning Board said yesterday.

Mr Lee Kang Woo, director general of the EPB's statistics bureau, said that if trends continue, by 2020 the number of births will be matched by the number of deaths.

An official at the EPB's labour planning division said

labour planning division said that many manufacturing indus-tries were experiencing acute labour shortages. He said that,

whereas unemployment for graduates was a relatively high 41 per cent, the overall unema.1 per cent, the overall tinem-ployment rate was only 2.2 per cent and about 1 per cent for people who leave school early. Companies are not allowed to import labour in spite of strong lobbying from South Korean industrialists.

South Korea's population growth rate, which was almost 3 per cent in 1960 has fallen steadily over recent years. This year it will be about 0.97 per cent and is expected to drop to 0.75 per cent in the year 2000

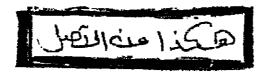
and zero in 2020.

According to Mr Lee, the country's population will begin to shrink after peaking at about 50.2m in 2020, up from the current level of 42.8m. A main reason for the decline is that families are smaller. The number of children per average family has fallen from about six in the 1960s to 2.8 in 1980 and an

expected level of 1.7 by the end of the century.

Life expectancy, meanwhile,

is expected to increase from 70.8 years now to 72.7 years in 2000



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### **AMERICAN NEWS**

# House nears approval for Democrat budget package

By Peter Riddell, US Editor, in Washington

THE House of Representatives was last night on the way to approving a Democrat budget package involving a substantial increase in income taxes, especially on the wealthy, as the Bush administration underlined its support for alternative proposals from the Senate finance committee.

Senate finance committee.

Resolving differences between the two plans and producing a package acceptable to the White House is expected to take longer than the deadline of Friday midnight, when the US government runs out of money again.

A further complication is that many Senate Democrats are more sympathetic to the House plan than to the finance committee package, produced by their own leadership with Republican support. However, any rank-and-file Democrat alternative is likely to be defeated and the extent of tax increases will be determined in a House/Senate conference.

The obvious stumbling block is if Democrats push through a plan which increases taxes much more than the Senate ommittee version, thereby for-

cing another confrontation and shutdown of government.

President George Bush yesterday continued his campaign trips around the US, arguing that the budget crisis was the result of Congress's failure to

A new Washington Post/ABC A new washington Post/ABC.

News poll points to a further drop in Mr Bush's approval rating as president; down to 56 per cent, compared with 75 per

cent a month ago, and the low-est level since he took office. Moreover, 79 per cent of Americans think the country is "pretty seriously on the wrong track," the most negative result found in a leading poll since the oil crisis of the mid-

Congressman Bill Gray, the House majority whip, yester-day predicted the Democrat plan, which would raise the top marginal income tax rate from 28 to 33 per cent and impose a 10 per cent surtax on millionaires, would pass. He said "those who enjoyed the champagne of the 1980s will be paying their fair share in deficit reduction".

The House rules committee, which determines procedure.

early yesterday ruled out of order a Republican alternative which relies almost entirely on a freeze on spending, as it would reduce the federal defi-cit by only about \$400bn over five years, rather than the agreed target of \$500m.

Mr Nicholas Brady, US treasury secretary, made clear the administration's opposition to the Hears Demonstration

the House Democrat plan.

He said the president would "probably sign" the Senate finance committee package which, together with an initial House ways and means committee plan is clear to the committee plan in the committee plan is clear to the committee plan in the comm mittee plan, is close to the original bipartisan agreement,

defeated 12 days ago.

He added that then "the government will operate in a normal way and the people won't have to look at a government uitdown". The Senate finance commit-

tee version, described by Mr Brady as "fair and equitable", proposes some increases in taxfor the better-off as a result of a limit on deductions. Many Senate Democrats, believing the White House is on the defensive, want to go further and move nearer to the

House Democrat version.

Soaring costs: the price of each B-2 Stealth bomber has risen to more than \$800m

# Senate backs \$268bn defence spending bill

THE US Senate has passed a \$268.2bn (£136bn) 1991 defence spending bill, rebuffing efforts to accelerate US troop with-drawals from Europe and hait production of the B-2 Stealth bomber, writes Lionel Barber in Washington.

Passage of the bill puts the Senate at odds with the House of Representatives, which has approved legislation which cuts more than \$2hn from the Strategic Defence Initiative – "Star Wars" – programme and terminates production of the troubled

These differences must now be ironed out in conference talks between House and Senate members, before the final version of the hill is submitted to President George Bush for signature.

Mr Bush has the power to veto, but the Senate bill is likely to be the best deal he

can get.

The legislation reflects a near \$16.2bn cut from military appropriations for fiscal 1990, which ended last September 30. Several close votes — both on the B-2 and on US troop reductions in Europe — suggest that sentiment for further defence cuts is growing on Capitol Hill.

Production of the B-2 will have to scaled

back from the 75 aircraft currently sought by the Pentagon, according to Senator Sam Nunn, chairman of the Senate armed

.services committee. Taking account of research and development costs and the reduction in planned purchases, the price of each plane has risen to more than

A group of US senators plans to introduce an amendment that would give Mr Bush the authority to dispense up to \$700m-worth of Pentagon weapons stocks

The plan - modelled on the Second World War "Lend Lease" concept, under which the US provided material support for Britain before entering the war - aims to respond to Iraqi threats against Israel,

pleads the case with a rare degree of professional convic-

Mr John Carroll, for the gov-

ernment, is a more mundane, if resolutely chirpy figure who plugs away at details. But by the end of Monday, even Judge Wood seemed uncertain what

two days of government evi-

dence had revealed.

What, she asked, "can I rely on that connects [Mr Miken]

The government response

centred on the broad assertion that "Milken was the only per-

son there who was able to authorise the trades and make good Mr [Ivan] Boesky's

But it went little further

than his claims on the opening

entering and leaving the court-room via a back-door, and then

sitting pensively with his back to the public benches, writing

copious notes and occasionally

The former Drexel superstar has now relaxed a little -

occasionally making eye con-tact with others in the hearing room — but maintaining a

fixed jaw and steely demean

conferring with Mr Liman.

Mr Milken has be

### California continues to count cost of quake

By Louise Kehoe in San Francisco

IN San Francisco the most lasting image of the earth-quake a year ago today is the Embarcadero Freeway, one of the primary routes into the city from the south, which

city from the south, which remains closed.

The two-tiered structure was declared unsafe shortly after the quake and, after much local debate, the city's board of sopervisors has decided to tear down the structure, rather than repair it.

Across the bay, in Oakland, the wreckage of the Cyprus section of freeway, which collapsed killing 42 people, has been torn down. In its place is a desolate gap amid the low-cost housing.

cost housing.

Before the quake the Embarcadero carried 60,000 cars a
day along the city's waterfront
to Chinatown, the North Beach restaurant district and Fisher-man's Wharf, the city's prime tourist attractions. Traders claim its destruction will per-manently damage their busi-

**Yet most of San Francisco's** Yet most of San Francisco's tourist industry appears to have made a good recovery. After dipping 80 per cent in the immediate aftermath of the quake, tourism revenues have recovered significantly, albeit to lower levels than a year ago.

The expensive homes in the Marina district that were Marina district that were destroyed have quickly been rebuilt. Federal funding of \$30m (£15.2m) has ensured the repair of the San Francisco-Oakland Bay Bridge and many other damaged structures.

For some, however, the leg-The thrust of his case is that "Mike Milken, the myth" is being muddled with reality. He

acy of Loma Prieta, as the earthquake has been officially named, is more severe.

In the cities of Santa Cruz and Watsonville, about 75 miles south of San Francisco and far closer to the epicentre, the evidence of the quake's destructive force is still pain-

Santa Crux's once bustling shopping area has been left a virtual ghost town, with deep excavation pits where buildings once stood.

to the Boesky Organisation?"
And why, she persisted, was it more likely to be Mr Milken who initiated the Wickes trades by Boesky than, say, other members of Drexel? Dozens of businesses con-Dozens of businesses continue to operate in makeshift marquees erected in the weeks following the quake, but at least 100 retail businesses have folded. The remainder report sales are less than a quarter of those prior to the earthquake.

earthquake. In nearby Watsonville, an about 40 low-income families still live in temporary trailers supplied by the Federal Emergency Management Agency. Their low-rent homes were destroyed last October and although many have been repaired or rebuilt, rems have increased and for these families are no longer affordable. Eventually, according to local officials, the families

may be evicted. There is lasting resentment in Watsonville that the world watched San Francisco's problems but ignored the small town's plight. More than 900 homes in the town were severely damaged or destroyed and the high school was irrep-

arably damaged.
Today, as residents of the San Francisco Bay area remember what happened at 5.04pm a year ago, they will count the costs — 68 dead, count the costs - 68 dead, more than 3,500 injured, more than 1,000 homes destroyed and almost 400 failed businesses. The vast majority, however, will count their good

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# Milken's mini-trial plays to a packed courtroom

HE hottest ticket in town is not for a Broadway show. It is a place in the so-called "mini-trial" of Mr Michael Milken, former junk bond king at Drexel Burnham Lambert, the US invest-ment bank which filed for

bankruptcy in February. Every morning, several hours before proceedings start, press and public alike jostle for places in a downtown Manhat-tan courtroom. Outside, photographers throng the court-house steps waiting for the man who created and ran Drexel's all-powerful high yield

bond department.

This is not just a desire to gloat over a fallen angel. The hearing is being held to help Judge Kimba Wood to gain a better sense of Mr. Milken's

He has already pleaded guilty to six charges related to breaches of securities law and has agreed to pay \$600m (£304.5m) in fines and restitution; the judge's job is to devise an appropriate sentance, which could range from community service up to 28 years' impris-

Mr Milken's settlement with the government means there is no question of fresh evidence leading to further personal

Yet if what the government alleges is correct, the activities of Drexel in the mid-to-late 1980s probably constitute the biggest single scam ever perpe-trated in the history of the

The question is how much can the government prove and how much can be laid at Mr Milken's door? And how should white collar crime be pun-

ished? Inside the courtroom matters are orderly and generally good-natured. Because of time constraints, the government has selected three items out of a hefty dossier of alleged mis-demeanours which it claims Drexel and Mr Milken commit-

Nikki Tait in New York reports that the iunk bond king has kept his cool

One example is the alleged manipulation of the share price of Wickes, a home products company which Drexel won as a client after a struggle. But

tainly serving their client well.

the government's witnesses have been at best contradic tory and, sometimes, down-right unbelpful.

Mr Milken's lawyers are cer-

The tall, grey-haired and craggily imposing figure of Mr Arthur Liman, who had previ-ously crossed swords with Lieutenant-Colonal Oliver North during congressional hearings on the Iran-Contra affair, brings an air of emo-

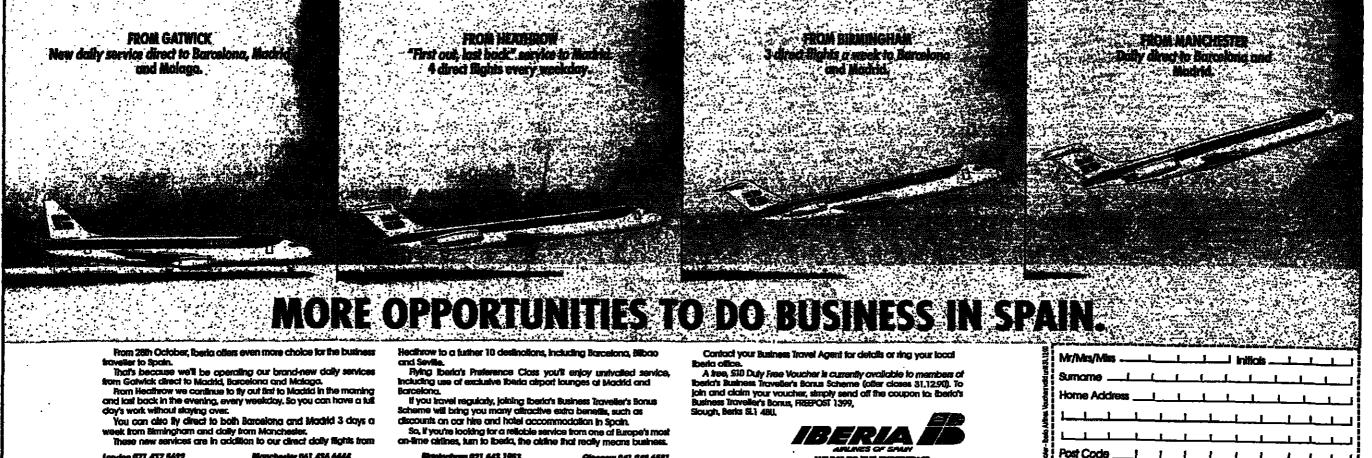
# Brazil's state oil group in federal probe

PETROBRAS. Brazil's end of September. government-controlled oil conThe move involved the purcern, is under federal investigation for an operation to purchase \$300m (£152.2m) of state debt for resale to the central bank at a profit of more than

80 per cent, writes Victoria Griffith in São Paulo. Mr Luiz Octavio da Motta Velga, Petrobras president, has confirmed the operation, simed at reducing the company's defichase of discounted debt in the secondary market for subse-quent resale to the central

bank at face value. Mr Motta Veiga said the operation has been neither completed nor cancelled. How-ever, Mr Ibrahim Eris, central bank president, insisted it had been suspended. The company stood to make a profit of \$245.5m, with some of the gain coming from currency trading

that, although Petrobras' actions were not technically illegal, the company may have compromised national interests. Brazil is in the middle of debt negotiations with foreign banks, who are likely to be unhappy with the commitment of large amounts of foreign currency reserves to such an operation.



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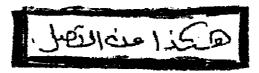
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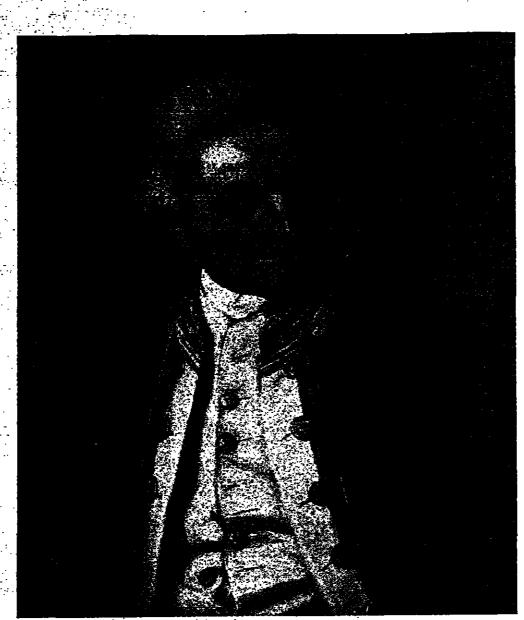
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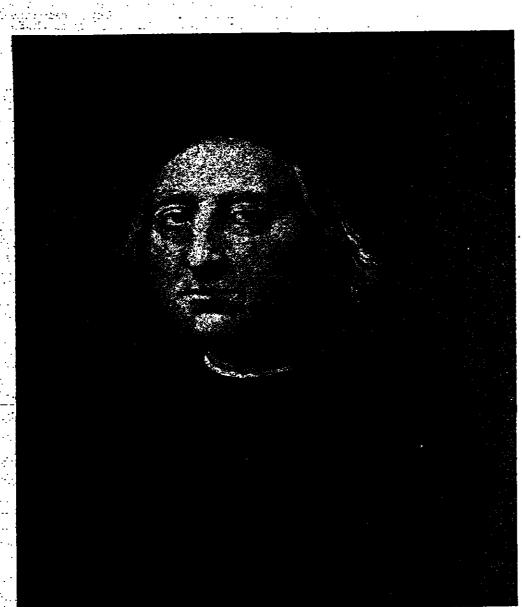
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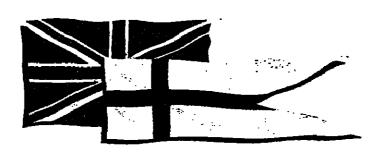


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HAS ACCEPTED THE INVITATION.



CHRISTOPHER COLUMBUS WILL BE WAITING FOR HIM IN GENOA IN 1992.

# SPECIALIZED INTERNATIONAL EXHIBITION "CHRISTOPHER COLUMBUS: SHIPS AND THE SEA"



Christopher Columbus, a Genoese, discovered the New World in 1492. At the time it represented a profound expansion of human knowledge. Made possible by a combination of iron will-power and thinking years ahead of its time. Five hundred years later, in 1992, to mark the fifth centenary of his triumph, a Specialized International Exhibition is to be mounted. Entitled "Christopher Columbus: Ships and the Sea". And, appropriately enough, it is to be held in Genoa. As the great maritime civilizations meet to celebrate and illustrate the story of seafaring. And to look forward to the future. Exploring the latest ideas, projects and technology. Among the participating countries is Great Britain. A nation so rich in marine tradition and culture could not possibly afford to miss out. The site for the exhibition will be Genoa's Old Harbour. A recreation of the unique structures of the ancient port. Designed by architect Renzo Piano and developed by the Iri Group Company Italimpianti the project will rebuild the "heart" of the town. Bringing Genoa closer to the roots of its ancient civilisation. In addition the whole complex will serve, after the exhibition, as an important multifunction centre for the town. 1992, therefore, is an important date for all the seafaring nations of the world. One they cannot afford to miss. As they meet on the threshold of the next millennium to forge a new bond between man and sea.



COLUMBUS 1992; THE PROTAGONISTS OF THE SEA MEET IN GENOA.

### **UK NEWS**

### **CHEMICALS**

# ICI and Exxon announce belt-tightening moves

Imperial Chemicals Group (ICI), the international group, is to cut about £100m from its planned capital expenditure of

Elbn next year.

In a similar belt-tightening exercise, Exxon Chemical is to halt work on building a £235m ethylene plant at Mossmorran in Fife, Scotland, because of higher crude oil prices caused by the Gulf crisis.

The announcements fit the general trend of rapidly declining confidence among UK manufacturers and a reluctance to sanction large investment projects shown in recent surveys by the Confederation of British industry, the UK's employers'

organisation.
The move by ICI, is part of what Sir Denys Henderson, the chemical group's chairman, described yesterday as the start of a two-year "belt tightening period. The company, Britain's largest manufacturer, has told its business operations to cut running costs during the annual budgetary review, which starts next month.

Sir Denys was speaking in Japan after opening a £50m plant to make plastic film,

THE UK economy is slipping

further towards recession

according to official figures

yesterday showing a drop in

Britain's factory output for the third successive month and a

marked weakening in the gov-

The Central Statistical Office

announced that manufacturing

output fell by 1 per cent in August, a much higger decline than the 0.3 per cent expected

Further evidence of recess-

ionary conditions came with

news of one of the biggest

monthly falls on record in UK

truck sales - down last month

by just under 40 per cent com-pared with a year earlier, and an announcement by ICI that it

was to cut capital spending by

10 per cent. Other official figures showed

that weakness in economic

ernment's finance

in the City.

By Rachel Johnson, Economics Staff

est single investment there to date by a British company. The cuts in capital expenditure were to give ICI "room for manoeuvre if we see an acquisition that would help us change shape." The £100m would not be made by making emergency cuts and no deci-sions had yet been made about

investment programme is spent in Britain.

The Exxon project is expected to be delayed by about two years. It was due to come onstream in the first half of 1998, with work on site starting next

which projects would be affected. About half ICI's £1bn

The postnonement is a blow to the economy of Fife where unemployment is 9.6 per cent. The plant would have created 1,500 construction jobs, 70 per-manent jobs and 230 spin-off obs. Exxon Chemical said that it had reviewed the economic outlook and now expected slower growth in chemicals, especially with the possibility of higher crude prices continuing. The chemical industry, it believed, would have spare steam cracking and derivative capacity until the mid-1990s.

**Factory output continues slide** 

activity had created revenue

shortfalls and put pressure on the government to increase its

borrowings.
Over the three months to

August, manufacturing output

was 1 per cent lower than in

the previous three months, adding to evidence that the

began in earnest at the start of

lying trend for manufacturing output was "flat". Over the

three months to August, output was 0.7 per cent higher

than in the same three months

appeared to justify a cut in interest rates, some analysts

said. They expected economic

growth to decline in third and fourth quarters - and that the

UK would experience a reces-

This stagnation of growth

The CSO said that the under-

the summer.

"Higher crude prices have deepened the recession and they have led to a dip in mand," Exxon said.

Mr John Holloway, chief xecutive of Exxon Chemical in the UK, said the project would be kept under constant review "to determine the optimum time for resumption. We are still confident we will go ahead with the project." It

would provide new capacity at the lowest cost possible. Further development efforts will be suspended and person-nel reassigned. Engineering design work done so far will be retained for later use.

The project is intended to increase ethylene capacity at Mossmorran by 40 per cent to 900,000 tonnes, making it one of the world's largest ethylene or the worm's largest engines.

lants. Mossmorran, opened in 1986, is operated by Exxon in partnership with Shell Chemicals, which would use half of the capacity of the new plant. The plant would use ethane

gas piped from the North Sea. Exxon would transport its output to polyethylene plants at Antwerp, Belgium, and Shell, to Stanlow and Carrington in north-west England.

sion according to the American

definition of two consecutive

quarters of negative growth.

The worst-hit market sectors

were minerals, engineering,

textiles, clothing and footwear, and mechanical and electrical

engineering. The chemicals sector - which invested and

produced heavily between 1987 and 1989 – showed a sharp fall of 2.5 per cent in output

between the two three-month

The investment goods industries also fell by 2.5 per cent. The August index of industrial production is a provisional 199.0 (1985 = 100), after a revised 100 s in July

109.6 in July.
Total industrial production,

which includes the energy sec-tor, fell by 1 per cent in the three months to August com-pared with the previous three

month will not of itself stimulate renwed confidence. They say it will require further cuts of at least two percentage points to generate sig-

Unlike cars, more than a

The steepness of the drop in truck sales caught even some of the main industry particits by surprise.

Mr Ian Jones, marketing director of Leyland DAF, the UK heavy truck market leader, nevertheless said that the decline may now have bot-tomed out. "The market started to fall away in October of last year, so from this month on, the decline should not appear so sharp and there should be a slow recovery".

### fall 40% as recession hits market

By John Griffiths

UK TRUCK sales in September experienced one of the biggest monthly falls on record, a fall of just under 40 per cent against the same period last

The drop marked a further worsening of what is now a year-long recession in the truck market, which is widely regarded as a barometer of activity in the economy.

The downturn, however, is increasingly being felt in other sectors of the commercial vehicle market, indicating that a wide variety of small traders are being hit by high interest rates and falling demand for their services.

Statistics from the Society of Motor Manufacturers and Traders show that sales of medium vans such as the Ford Transit were down last month by more than a third, on a year-on-year basis. Sales of light vans — such as those based on Ford Escorts or Rover Maestros — were down

by just under 30 per cent. Leading truck industry executives say that the 1 percent-Mr Richard Mason, BIEC's age point cut in base rates announced by Mr John Major, the Chancellor, earlier this

nificant numbers of new

third of which are bought by private motorists, vans and trucks are bought mostly for commercial reasons and are replaced only when considered necessary. As such, they pro-vide a valued indicator of commercial and industrial prospects for the UK.

account for a tenth of UK gas consumption by the end of the century, with the electricity industry as a whole burning a quarter of all UK gas supplies.

# Truck sales | Invisible exports bring in a tidy profit

BALLET TOURS, fees for sitting music exams and Brit-ish orchestras playing abroad are earning Britain up to 52bn a year in exports that no one is recording, the British Invisible Exports Council (BIEC) said esterday. The council, which repre-

sents export-oriented service companies, believes it has uncovered a gap in government statistics on arts activi-ties that could reduce Britain's current account deficit which last year reached £19hn.

Service industries last year had a surplus on overseas trade of 27bn. That helped to offset Britain's deficit in visible trade – mainly manufactured goods – of £24hn. The legal and accountancy

professions, banking and finance and the tourism trade are among the service businesses whose overseas reve-mes are included in the gov-ernment's official accounts. But according to the council, government statisticians have neglected to account for large

slices of arts-related activities which earn foreign revenues. They include overseas concerts by UK orchestras, royalties on plays and TV programmes and sales of paintings

executive director, said yesterday that total foreign earnings from all UK arts-based activities probably added up to about £4hn a year. Of this total, roughly half

was accounted for in the accounts as currently constituted – for example under gen-eral royalty earnings – and the other half missed alto-

The council has commis-

sory Group, a consulting com-pany, to check on all relevant artistic endeavours and produce a report by the end of the

The report will be sent to the Central Statistical Office, the government body which com-

piles trade statistics. It will form part of the office's inter-nal review of balance of payments data. The office started this in the summer after wor-ries that the UK might be fail-



Music business: the overseas earnings of UK orchestras could cut the trade deficit

# Power company to move into gas market

By David Thomas, Resources Editor

PLANS FOR a large increase in the use of natural gas in electricity generation were unveiled yesterday by National Power, the largest UK electricity company.

The company is proposing to build two gas-fired power sta-tions at a cost of more than £1bn and to join new gas exploration ventures in the North

National Power, which is due to be privatised in February, views its plans as part of a strategy to reduce dependence on supplies from British Coal. It believes that it might

The industry uses almost no gas to produce power at present, but the prospects for its use have been transformed by a relatively new technology sing combined cycle gas tur-

Mr Colin Webster, National Power's commercial director, announcing the new strategy yesterday, said: "Combined cycle gas turbine plants will be the new plants of choice for environmental and economic reasons for the foreseeable

The company is to apply for planning permission for two gas-fired plants at existing power station sites at Stay-thorpe, Nottinghamshire and

Each will be up to 1,500MW

in size, cost about £500m and will enter service in the second half of 1994. It has also joined as a minor-

ity partner three consortia bidding for gas exploration per-mits in the 12th round of North

Sea licence applications. Mr Webster said participation in gas production - a new venture for the UK electricity industry – would help National Power to gain security over its supplies.

He added that National
Power might for the same rea-

son take a stake in foreign coal producing ventures, with the US, Australia, Venezuela, Colombia and Indonesia the most likely targets.

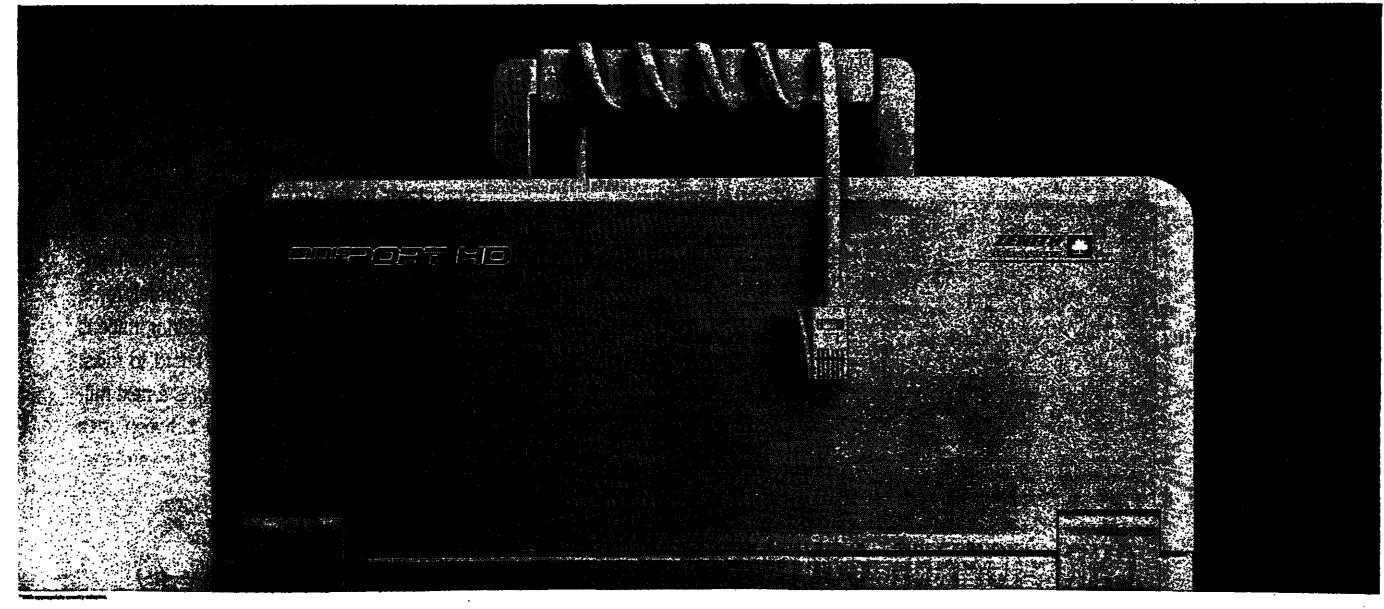
National Power is also plan-ning to add gas-turbines to

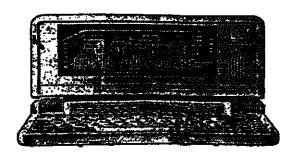
existing coal or oil stations to increase their efficiency and output. The addition of a 150MW gas turbine to a 500MW conventional unit would cost about 250m.

The company is studying whether to add gas-turbines to its coal-fired stations at Eggborough, Yorkshire and Fawley, near Southamption. Each station has four 500MW

National Power said a com-bined cycle gas station would use 27 per cent less fuel, produce 58 per cent less carbon dioxide (the main greenhouse gas) and almost 100 per cent less sulphur dioxide (the main cause of acid rain) than an equivalent coal-fired station. Capital Markets, Page 33

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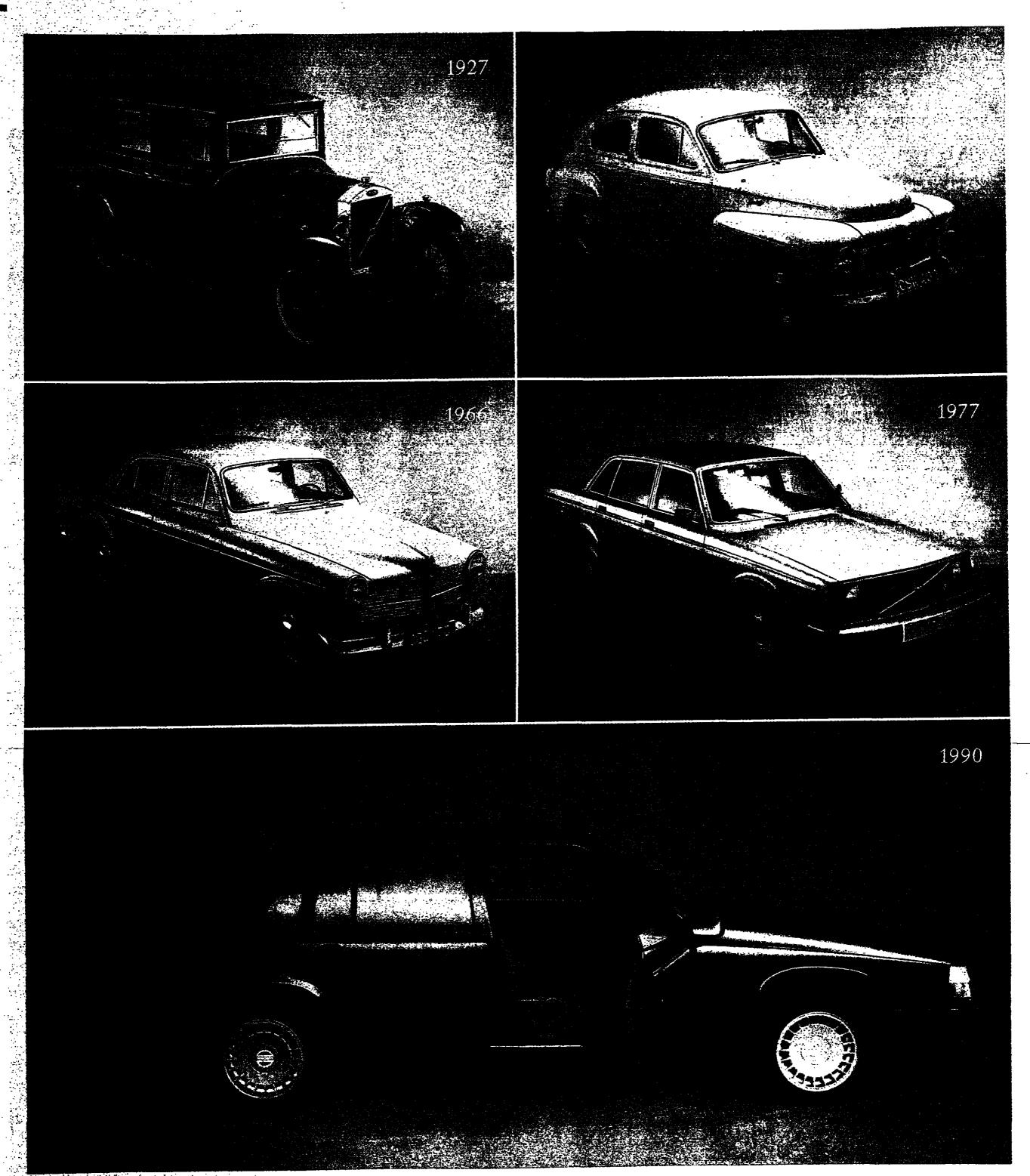
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also be used for a light lorry) with woodenspoked wheels and solid tyres.

From the very start, Volvo made their cars to an exacting standard.

They became famed for their longevity. (Swedish surveys have shown that the average life expectancy of a Volvo is longer than that of any other marque, including Mercedes and BMW.)

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Like all Volvos it is beautifully built and reassuringly safe.

(Yes, the steel safety cage is very much in place.)

But as you would expect the latest Volvo is also the most refined Volvo. The new body shape improves not only

the look of big Volvos but also their aerodynamic efficiency. There is a range of engine options. 20

litre, 2.3 litre, 2.3 litre 16 valve and 2.3 turbo; all with catalytic converters as standard.

It is undoubtedly the quietest Volvo ever made, with 11 extra sound damping panels in the rear.

The Volvo 940 GLE has everything you expect to find in a car of this class - ABS, central locking, heated seats, electric sunroof, electric mirrors and windows, but also many things you wouldn't expect.

Who else but Volvo offers you an integrated child's seat that folds out of sight when not in use?

Who else would fit an environment warning light to monitor the car's exhaust cleaning function?

Who else gives the centre passenger in the rear seat a proper inertia-reel seat belt?

These are just a few of the features that make the Volvo 940 a worthy successor to the 1927 car.

You can discover many more at your nearest Volvo dealer.

The 940 is available as a saloon or estate car with a choice of manual or automatic transmission.

Whichever version you choose to try, you won't have driven a better Volvo.

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# **Bank questions** likelihood of exchange cartel

THE Bank of England yesterday expressed doubts that any attempt by banks to form a cartel in the foreign exchange market could succeed and suggested any attempt to establish one would merely drive currency business

The Bank's comments fol-lowed the launching of an investigation into an informal agreement among London-based banks over the trading of sterling in the foreign exchange market by the UK's Office of Fair Trading

The investigation will aim to discover whether an informal accord, covering the spread between buyer and seller rates in foreign exchange trading among banks, is anti-competitive under the Restrictive Trade Practices Act.

The agreement late last month by some of the largest traders in foreign exchange in the London market led them to widen spreads between buyer rates and seller rates for size-able interbank trades in sterling against the dollar and the D-Mark.

### NatWest to use Coutts bank name

By David Lascelles, Banking Editor

NATIONAL Westminster Bank aims to expand its international private banking busi-ness using the name of Coutta, its UK private banking arm, as

At the moment, NatWest provides banking services through Courts in the UK, Nat-West International Trust Cor-poration in Nassau and Hansbank NatWest in Zurich.

The accord was not aimed at raising spreads at which banks dealt with their corporate customers, but to make interbank trading more profitable in an attempt to encourage banks into the market.

Two significant currency trading banks in London Chase Manhattan and Citibank, have been critical of the arrangement and have not

A Bank of England spokes man said foreign exchange market spreads were made by banks individually and the Bank had no role in approving them. He added: "We don't believe that any attempt to agree or set spreads between a small group of hanks could succeed in a market as open and competitive as that in foreign exchange."

The operation of any cartel,

however, would be a legitimate subject of an investigation by the OFT. Bankers yesterday said they did not see the agree ment as a cartel since banks were free to set what spreads they liked, and there were no entry qualifications.

The bank will now create a new Courts holding company

which will own Coutts & Co, and a Swiss holding company for the non-UK private banking operations which will be given new names to identify them more closely with Coutts. Coutts, one of the most exclusive banking names in the UK, became affiliated with

the NatWest group in 1920.

### **Employers** demand European training standards

By Fiona Thompson

THE UK should copy France and Germany and lay down clear pathways for the education and training of 16-19 year olds, according to a survey of employers in the Thames Val-

employers in the Trames Val-ley west of London.

The French and German systems are clearcut, with qualifications thered so that success at one level is an automatic key to entry at the next level. The UK "completely

level. The UK "completely lacks any systematic series of pathways", the study says.

The Thames-Chiltern Chamber of Commerce and Industry approached 600 local companies to determine what they wanted from the education system; 37 per cent responded.

To put the UK response in context, partner chambers in Augsburg in Bavaria and Nantes in Pays de la Loire, also participated.

The study concludes that the The study concludes that the

The study concludes that the West German dual system, combining practical, on-the-job training in companies with theoretical instruction in vocational schools, is "undoubtedly the most impressive organisa-tion of training young people, and is responsible for produc-ing one of the most flexible and adaptable workforces in the world."

 The opposition Labour Party is to create a task force to learn from France's success in encouraging teenagers to go into further education. Mr Jack Straw, the party's

education spokesman, said after meeting Mr Llonel Jos-pin, French education minister, he was greatly impressed by "the strength of purpose and sheer will" which France showed in raising standards.

# Air Europe chairman denies interest in Dan-Air

MR HARRY Goodman, the chairman of <u>International Lei</u>charman or international Len-sure Group (ILG), said yester-day he was not interested in acquiring Dan-Air, the UK air-line owned by Davies & New-

man Holdings, nor selling his own airline, Air Europe.

"If I was offered Dan-Air for a pound, I would not buy it now nor in the future," he said in an interview. He added that offer making this public that after making this public state-ment, the stock market regula-tors would not allow him to bid for Davies & Newman Hold-Mr Goodman said his group

had shown an interest in Dan-Air "some time ago" but had decided well before the Gulf crisis erupted this summer not to pursue a possible bid.

Mr Goodman was seeking to dispel suggestions that he was trying to undermine Dan-Air to damage a competitor and said

cheaply. ILG's decision last week not to go ahead with the leasing of Dan-Air aircraft for some of its

he was not attempting to drive it down to buy it eventually



High Flier: Goodman (above) wants to protect Air Europe from industry risks

tour business next summer caused a sharp fall in Davies & Newman shares. But Mr Good-man defended the decision yesterday because he felt Dan-Air could become vulnerable as a result of its fleet of older less current climate of soaring jet

Airlines last year had cost ILG which had leased aircraft from Paramount about £4.2m, he

explained The uncertainties surrounding Dan-Air had also prompted ILG to give notice it was withd-rawing Air Europe engineering business from Dan-Air unless Davies & Newman could pro-The collapse of Paramount

ensure the safe return of any

Air Europe aircraft undergoing engineering work.

Davies & Newman recently announced it was putting its aircraft maintenance and engineering business up for sale.
Although there has also been long running speculation over the future of his airline, Mr

not for sale."
He said the present difficult economic outlook would delay plans to float the company on the stock market.

• Boeing, the US aircraft manufacturer, should know by the end of the year whether British Airways will become the first UK customer for its new 777 twin jet aircraft.

Boeing announced on Mon-

new 777 twin jet aircraft.

Boeing snnounced on Monday it was going ahead with production of the 360-390 passenger aircraft after US carrier United Airlines ordered 68 of them in a £11.16bn deal.

The Boeing 777, which will go into service in 1995, is one of three planes BA is considering as a replacement for its TriStars and DC10s.

The other possibilities for

The other possibilities for BA are the European Airbus Asso and the MD-11 of America's McDonnell Bouglas. The airline said a decision

could be expected by the end of the year. The 777 project gives Rolls-Royce, the UK engine manufacturer, the opportunity to seek contracts with Boeing for its new Trent engines.

# Design hailed as secret weapon for business success

DESIGN is the most potentially powerful, most under-utilised resource for strategy business competitiveness, a Financial Times conference on Product Strategies was told yesterday. Mr Arnold Wasserman, vice president of corporate indus-trial design and human factors at Unisys Corporation, told del-egates that increasingly design and design alone differentiates

one product from another. Mr Wasserman argued that this had long been recognised by the Japane He gave the example of whose president, Mr

Norio Ohga, has argued that his company now expects prod-

ucts from different corpora-

price, performance and fea-tures. Sony believes design is the only thing that differenti-ates one product from another. Mr Wasserman pointed out that one of the shavers sold by Braum in Japan is not only the best-selling shaver on the mar-ket, but also the most expenket, but also the most expensive. The reason Braun is able to do this is a combinations of brand image and superior design which adds "knowledge value", said Mr Wasserman.

Mr Bill Moggridge, of Moggridge Associates, said that design now has to be positioned at the centre of the

tions to be comparable on

tioned at the centre of the product development process, rather than at the periphery or

CONFERENCE

PRODUCT DESIGN STRATEGIES

at the tail end.

Mr Moggridge said that five forces were driving design to centre stage. These are decentralisation, global markets, international competition, more complex products and

systems which require improved and easy to use sign, and accelerating develcoment cycles.

Dr Tony Roberts, marketing and sales director for PA Consulting Services, said that winning in the 1990s will be about getting clever with the prod-uct. He explained that during the 1980s many UK manufacturing companies learned how to be clever at production and logistics, but had neglected design.

A recent PA survey discovered that only 16 per cent of companies saw their competi-tive advantage came from applying research and develop-ment to their product, com-

pared with 36 per cent who saw it coming from manufacturing processes. This was in contrast with findings in Japan and West Germany where concentration on the product was 40 per cent and 30 per cent respectively.

Ms Klaine Kauffman, a busi-

ness manager at Texas Instru-ments, explained how her com-pany had set about revamping its educational products using design as a key element in the

The company discovered through market research that parents were concerned that their child would not become bored with a product because it was too easy or difficult.



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BRITAIN IN BRIEF



### North Sea output set to surge

Energy production in the North Sea in the years ahead is set to surpass the record set in 1985, Mr John

Wakeham, energy secretary, has said. Mr Wakeham said that the expected recovery in oil production combined with increased gas production would lead to a new peak in energy output.

A Department of Energy

survey of oil company intentions found that spending for North Sea development would rise by £1bn in the next to years, reaching £4.7m in 1991 and £4.8bn in 1992. The spending plans were drawn up before the Iraq's invasion of Kuwait.

### Heroin worth £10m seized

The biggest ever heroin haul in Britain - 60 kilos with a street value of £10m - has been discovered hidden in a lorry at Dover. Customs and Excise

disclosed that the drugs wer found on Monday in a truck carrying textiles which had just arrived from Turkey. A spokeswoman said: "It is the largest single detection of heroin in the UK and is entirely due to the alertness of customs officers at Dover during a routine search of the

The lorry driver, a Turk, was arrested and is being interviewed by customs

### Free to speak about Europe Chancellor John Major's

parliamentary private secretary has resigned so he can air his views on Europe. Mr Tony Favell, Conservative MP for Stockport, said the parting was "entirely amicable" an

was "entirely anaicable" and had nothing to do with Treasury policies.
"I have the greatest respect for the Chancellor but the time has come when I want to be free to speak from the back benches, particularly on Europe and the future of our country within Europe." country within Europe."

Mr Favell said that as the Chancellor's parliamentary private secretary it was virtually impossible to speak on any subject from the back benches because the Chancellor's remit covered almost everything.

### **Tebbit under** siege at LSE

Protesters laid siege to a meeting at the London School of Economics in which former Conservative Party chairman Mr Norman Tebbit insisted he was right to say some immigrants to Britain would "fail the cricket test."

The protesters gathered outside the building's main entrance before the meeting in which Mr Tebbit called for South Africa to be readmitted to the international

The former Trade and he stood by his "cricket



Norman Tebbit match" test which would determine the national loyalties of a non-white citizen by whether he would cheer

England in a cricket match. Mr Tebbit said: "If you want to carry a British passport, if you want to be a British citizen, you have to be the whole of one and not half of one. It's as simple and as clear

Trade gap in food and drink Britain's food and drink trade gap widened by 29 per cent in the first six months of this year, with imports rising faster than the rate of inflation.

The figures were released by the industry body, Food From Britain, which promotes From Britain, which promotes exports. The 16 per cent increase in imports between Jamary and June was split fairly equally among the seven Target Countries. The greatest was a £149m increase in imports from France.

Mr Boy Edleston, director of FFB's European operations, said that Britain's presence in Europe was "virtually

in Europe was "virtually negligible". He blamed the British food industry saying that it "didn't try hard enough" and didn't have "the enough" and usan't have "ne will to succeed in Europe". Exports to Germany and Holland were down by 259m, due mainly to less exports in the dairy and cereals sectors. Exports to France went up dentity the lunce went up despite the important meat sector falling by 2 per cent.

### Complaints hot line urged

The new Press Complaints Commission should operate a "hot line" for readers who

fear they are about to treated unfairly, exclude complaints from those not directly involved and avoid general investigations of pre-behaviour.

The proposed structure and workings of the bods; – very different from the Press Connell that it will replace at the beginning of next year — were outlined by Mr Andreas Whittam Smith, editor of The Independent at a seminar on the Calcutt Report into Privacy and the Press.

### Humber plan needs finance

A £1.24bm electricity-generating barrage across the River Humber was said to be technically feesible but plans will be shelved ss more money can be found for further re A preliminary study has found no overwhelmin technical obstacle to the

scheme, which would use the Humber's 6.4-metre tidal range to produce 1.24 terrawait hours of electricity a year - equivalent to % a per cent of national generating capacity - from 90 turbines set in the barrage.
Costs so far of £75,000 in cash and about £200,000 in kind or management time have been met by nine sponsors, including leading

British construction and heavy engineering companies, banking and accountancy interests.

### Top Treasury women

The Treasury demonstrated that it is an equal opportunity employer with the amouncement of promotions for two of its senior women officials.

Mrs Rachel Lomax has been

named as successor to Mr John Odling-Smee as deputy chief economic adviser to the Treasury, while Mrs Rosalind Glimore, will take over the chair of the Building Societies Commission and become Chief Registrar of Friendly Societies next April. Both women will become "grade twos" in the Treasury heirarchy, with annual salaries currently fixed at £58,420 and will be the most senior female officials in the Treasury.

### Doubts over pesticides

A national policy should be launched to monitor the use of pesticides in food and drink, according to the British

Medical Association.
A BMA report express serious doubts about reassurances that pesticides are not harmful to home The British Agrochemicals Association, representing industry interests, said the BMA report contained too many factual errors to be acceptable.

But the report was welcomed by the Pesticides Trust, a charity concerned with the environmental effects of



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No one needs reminding of the need to clean up the environment.

The desire to improve the air we breathe, to reduce acid rain, to promote healthy forests and to rear healthy children is universal and natural enough.

Indeed, even the EC has found something it can agree on.

To this end, from 1992, every new car sold in EC countries will have to emit 70% less poisonous exhaust gases. By law.

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We decided, however, to act sooner rather than later.

The Audi 80 2.0E, like every new Audi since September 1989, is equipped with a 3-way catalytic converter as standard.

The cat reduces toxic emissions by up to 95% (25% more than the law will require).

And, unlike some other car manufacturers, we won't ask you to pay a penny extra for it.

Nor will you pay in lost performance or increased running costs. In fact, owning a new Audi could prove to be something of a windfall.

In Germany, where the effects of pollution are already evident, cars with cats are – not surprisingly – proving to be more desirable than those without.

Something that's being clearly reflected in higher resale values.

Drivers of company cars will also benefit from the Audi 80 2.0E's tax-efficient 2 litre engine.

And, as with every new-generation Audi, the 2.0E is covered by our free 6-year 'On-Call' recovery service.

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# Kevlar, Nomex\* and Tyvek\*: Three lifesavers from Du Pont.

When Captain Brown and his men go into action, they have to be quick but cautious. Their task is to protect people and the environment, in particular against dangerous toxic substances, contaminated dust and similar hazards. Protective clothing can be a matter of life or death, in this job as well as in many others. For example, in bullet-resistant vests, or flame- or chemical-resistant overalls. KEVLAR and NOMEX III fibres and TYVE spunbonded olefin play a vital role. Tyvek also guards against invisible

hazards. Protective clothing of TYVEK is used wherever people come into contact with toxic substances or aggressive chemicals. TYVEK is a non-woven fabric that acts as a barrier. Not even minute pollutant particles or bacteria measuring no more than half a thousandth of a millimetre can penetrate this highly dense material. Garments made from TYVEK not only keep out asbestos dust and other dangerous particles, but also provide effective protection against chemicals during crop spraying. In cleanrooms, protective clothing of TYVEK prevents particles given off by the skin from contaminating work areas, where even the smallest amount of dust would be a problem in microchip production, for instance.



Very light and exceptionally tearresistant.

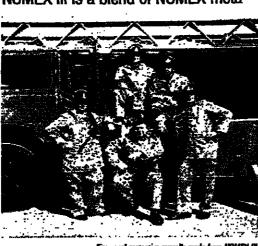
TYVEK is a spunbonded olefin material produced by a unique process from millions of ultra-fine polyethylene fibres. The result is a lightweight material that combines the finest properties of film, fabric and paper. It is waterproof, has high tensile strength, is tear-resistant and unaffected by a large number of chemicals. No other material is so impenetrable, so strong, so light, yet breathable.



Coated versions of TYVEK are available to suit requirements in terms of barrier performance for specific toxic chemicals. Contact Du Pont for details from our permeation guide data book.

Nomex III - The fibre for fire-risk applications.

Whenever fire and heat are involved, time is of the essence. A protective garment of NOMEX III can provide protection against fire for a critical period. NOMEX III is a blend of NOMEX meta-



material from breaking open when exposed to flame, and thus the skin is protected longer from the effects of heat. This invaluable feature makes NOMEX III superior to other heat- and flame-resistant materials. NOMEX III has another major advantage: its flame resistance is retained permanently, unaffected by either frequent washing or wear. And since the material made from this fibre is as much as 40% lighter than flameproof cotton for the same protec-

tive performance, garments made with

NOMEX III are also more comfortable to

aramid and KEVLAR para-aramid. The

inclusion of KEVLAR prevents the

To check the degree of protection afforded as accurately as possible, a special test manikin was developed by Du Pont. Known as the "Thermo-Man", it is 1.85 metres tall and has 122 sensors distributed over its entire surface to register temperature, quantifying pain thresholds and the critical point when burns first occur.

Public authorities and organisations are relying increasingly on clothing made from NOMEX III. In the U.K. the majority of professional firemen are equipped with NOMEX III. So are an increasing number in Germany. In Italy, all 25,000 members of the national fire service are equipped with protective garments made from NOMEX III. And many military aircraft pilots and car racing drivers wear overalls made from NOMEX IIL

Keylar – A milestone in fibre technology.

When KEVLAR was developed by Du Pont, it set entirely new standards in fibre technology. Never before had a fibre been so light and yet so strong, as

well as corrosion-proof, heat-resistant, self-extinguishing, non-magnetic and electrically non-conductive. And it retains its useful properties from -40°C to +180°C.



Du Pont has now developed its second generation KEVLAR, the "Hx" Series,. with properties even more outstanding. KEVLAR is used, for instance, to make bullet- and fragment-resistant vests for police and armed forces, and cutresistant jackets for fencers as well as industrial workers.

**Innovative technology means** 

progress. KEVLAR, NOMEX and TYVEK are produced by the Engineering Fiber Systems division of Du Pont, which also developed TEFLON\*, TYPAR\*, CORDURA\* and high-strength Nylon. From house and home to air and space, these products have opened up new perspectives in countless areas. Du Pont is one of the world's leading research-oriented companies, with 39 production plants and laboratories in Europe alone.

Du Pont de Nemours International S.A. Engineering Fiber Systems, P.O. Box 50. CH-1218 Geneva, Switzerland **Du Pont Engineering Fiber Systems.** Develop with us.

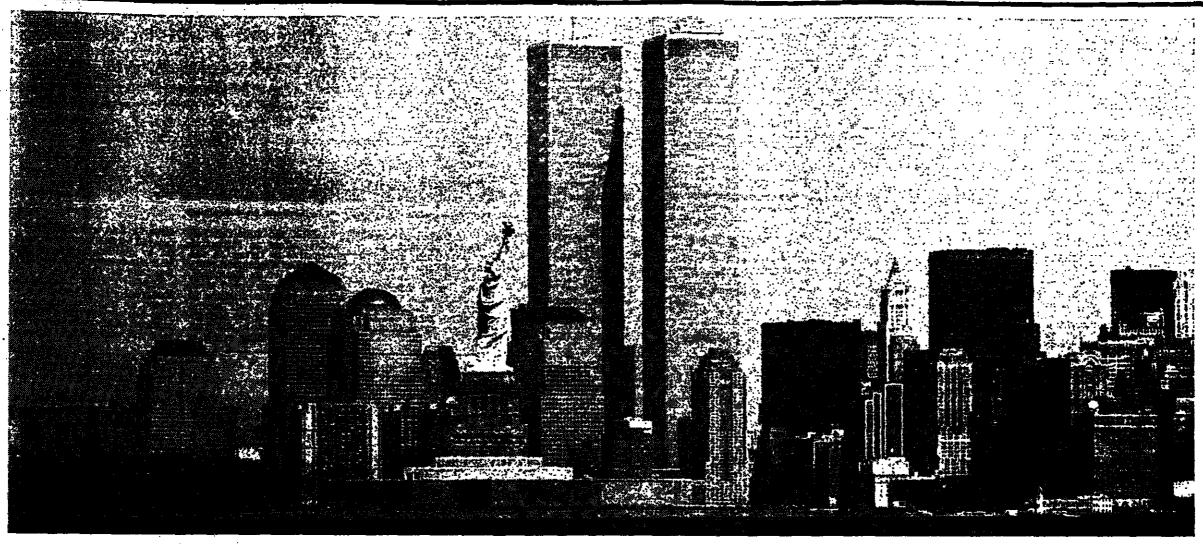
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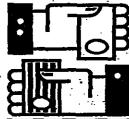
### FINANCIAL TIMES SURVEY

# NORTH AMERICAN BUSINESS TRAVEL

Wednesday October 17 1990



ue of Liberty with the World Trade Centre is the background. A business trip to the land of opportunity will be more fruitful if you know where to stay, what to pay and when to entertain



The prospect of your first business trip to North America can seem daunting even later journeys may be anxious. Roderick Oram

introduces this guide to travel, hotels, car hire and business centres, which aims to give you the confidence of a seasoned visitor

headlong into drastic economic reforms, many foreign busi-

"TRAVELLERS, like poets, are mostly an angry race," said Sir

Richard Burton in 1855, writing in an age before travellers

could raly on a firm mattress and a meticulously clean bath-room to ease the travails of the

The US is blessed with an

abundant array of affordable. reliable lodgings. And cleanli-ness is held at such a high

premium in North America that it is unnanal to find bugs or traces of earlier guests at even the lowlest of establish-

ments. Hotel chains have been

sprouting up across North America at an astonishing rate. In the past, five years about 60 new chains have joined the fray in the US alone, bringing the total to about 190 national or regional chains. While their uniformity and mundane furnishings may be

mundane furnishings may be somewhat displeasing to the

aesthete, their predictability

can be a boon in a strange city.
For the budget-minded trav-

eller, a recent survey by Con-sumer Reports found that the

Hampton Inn hotels ranked

with the moderately priced chains in terms of cleanliness

and staff. The chain also had high scores for comfortable beds. Added parks include an endless supply of coffee avail-able from the front desk, free

wine, beer, soft drinks and snacks in the lobby during the

evening and a complimentary buffet breakfast.

try during the 1980s, has meant that these extra touches are

their rooms.

A nationwide surplus of

likely, though, the easiern bloc will develop, like other hot markets before it, into a source of some good business laced heavily with setbacks and frus-Through all such vicissi-tudes of global trade, one mam-

moth market - North America will continue to cruise along. Yes, a looming recession is dampening demand; but it will be some years yet before a unified European market, the most promising contender, matches North America's sheer wealth and accessibility. "I still see lots of interest, says Mr Martin Arnold, a Swiss freight forwarder whose clients export extensively to the US and Canada. He was speaking during a recent tour of his US contacts, a trip he has made at least once a year for the past 12 years, a pattern typical of

Some 40 per cent of visiting businessmen have been to the US 11 or more times, according to a recent US government sur-

ning their North American business adventures. Plenty more advice is available along

you speak the language and are fairly easy-going, peo-ple will be friendly and help-ful," observes Mr Arnold. Many of them are more than just customers and clients. They have become good

ness people visited the US. Some 84 per cent of them were only 14 per cent were women, with an average age of 36. The other 2 per cent were children and the US government assumed they were along for the ride with their working parents rather than violators of the stern US child labour

Generally, business travelspend more money but visit fewer places than holidaymakers. Some 40 per cent of those surveyed by the US govern-ment were in the US for one to seven nights and another 40 per cent betweem eight and 14 nights. They spent about 50 per but typically confined themselves to large cities. Half of them visited only one state per

The top six business destina-tions are New York, attracting 31 per cent of all foreign business travellers, Los Angeles (19 per cent), San Francisco (14 per cent), Chicago (11 per cent), Miami (10 per cent) and Boston (7 per cent). From these gateway cities, though, the travellers spread throughout the

are taking a much more active

role through, for example, the

Competent travel agents abroad can tap into their com-

puter terminals to scan the availability and prices of

flights, hotels and rental cars

from competing suppliers in

the US and then book the best

ness visitors to the US booked their trips through their local

travel agents and 21 per cent

through their employers

in-house travel arranger. The

rest contacted airlines, hotels

and car rental companies

Even better is to use a travel agent with a US presence. In

the past, this meant large

global chains such as Thomas Cook and American Express.

national chains such as Hogg

Robinson in the UK and Hap-

ag-Lloyd in Germany are forg-

ing links with big travel agen-cies in the US.

somely when you suddenly need a change in itinerary.

Take, for example, the growing problem of cancelled or long-delayed domestic flights. Many

a traveller jostles for a place in

a long ticket counter queue at the airport gate to make alter-

native plans. By the time he

North America convenient, it is also cheap by world stan-

Those ties can pay off hand-

new Galileo system.

### Not only is business travel convenient, it is also cheap

Whether lining up appointments or making travel arrangements, there is a wealth of information sources, ranging from local chambers of tions, foreign offices of state development agencies and US commercial attaches abroad to countless business and import agents. No other economy in the world is so well researched and documented

Sources of travel information are equally abundant, thanks to ubiquitous use of computers in the travel industry. US airlines led the development of these systems and still domi-

Consumer Reports categories

works his way to the front of the line, all the other flights except swimming pool size. Accommodation at most Four are full. Experienced travellers, though, sprint to the nearest telephone to call their travel Seasons comes at a premium, but if money is no object it is certainly worth the extra agent, who books them on the best flight available. Not only is business travel in

There are all sorts of bazards inherent in making advance reservations at hotels - a common complaint is arriving at a hotel only to find it has no trace of the reservation on its computer system. Travellers confirming their reservations through the centralised booking system of the higger chains should note that if they made the reservation directly through the hotel, it may not show up on the corporate com-

The reason is simple many hotels in North America are franchises which do not log individual reservations with the parent company. Among the luxury chains,

Consumer Reports found that Westin and Omni had the highest rate of problems with reservations. A number of luxury hotels

offer executive floors where for slightly more money, travellers can enjoy the advantages of separate check in, more per-sonal concierge attention and a host of perks. Security tends to be better on the executive floors, making them particularly attractive to women trav-In a nation known for its

health fanatics, there is noth-ing unusual in finding a health club, or at least a weight room and swimming pool, appended to a hotel so that one's exercise regime need not be interrupted by travel. Price gouging by hotels

when it comes to the phone bill is an international problem. and North America is no exception. Some hotels have local "access" charges of more than \$1 for local, credit card and toll-free calls disiled from the room.

If you do a lot of business by telephone, the bill can well amount to more than than the cost of the room. However, most hotels have phones in the lobby, often isolated from the noise of passers-by, where calls can be made without the hotel surcharge.

### IN THIS SURVEY

Hotels: Traveliers are blessed with a wide choice of affordable hotels, ranging from deluxe to small and intimate, and offering a wide range of services.....

travel: Don't pay more than you have to and know that there may be a choice of routes Car hire: At some point,

you will need a car. Where to rent one and how much What, when, where

how:

New York City

San Francisco What, when, where and Chicago

Dallas Montreal Toronto

Travel Tips: From health insurance and business behaviour to protocol on smoking and tipping Related surveys ...



least 10-15 per cent tips

ica than is usually found in the big cities. Regional differences can be

marked and are well worth savouring, whether you meet good old boys in the deep south, peppery New Englan-ders or laidback Californians. For almost 400 years, foreigners have been coming to North America to make

### No other economy in the world is so well researched and documented

money. The draw today is as strong as ever and the rewards are great for those who can beat the competition on price and quality or have a bright

An impressive example in recent years has been Ikea, the Swedish furniture company. At first glance it would seem the last thing the US needed was yet another chain of furniture stores. But Ikea decided it could crack the market with simple but attractive designs

and low prices.

It began modestly, learning the ropes in smaller markets before breaking this year into metropolitan New York. The flood of people heading for its giant store can cause traffic jams on the New Jersey Turn-

According to Ikea's jokey radio advertisements, "It's a hig country out there; someone had to furnish it." Whether foreign businesses' ambitions are big or small, North America

# Directions for your journey

WITH EASTERN Europe and the Soviet Union lurching nessmen are falling over them-selves to be first into those markets. Entranced by poten-

imported goods will pan out as impressively as honed More ressively as hoped. More

tially huge long-term pros-pects, they consider it the main game in the world. It may that foreign invest-ment and purchases of



The deluxe JW Hotel by Marriott, Century City, Los Angeles

**HOTELS:** what to expect, by Karen Zagor

# Clean, helpful and willing to haggle

by Marriott, La Quinta. hotel rooms, created by the heady expansion of the indus-Ramada, Rodeway, Sheraton and the Quality International hotels. There are complemen-tary arrangements with similar automobile associations in other countries.

becoming the norm as hote-liers vie to lure travellers into There are exceptions to the vacancy glut. Cities such as New York and Los Angeles As a result of this ghut of supply, it is almost always pos-sible to haggle successfully attract so many tourists and over the price of a room, par-ticularly in cities with low ss travellers that it can be hard to find a room at all, particularly when there is a convention in town. But even in these cities the growing competition has kept botellers occupancy rates. Business travellers often can get reduced, corporate rates merely by asking, even if their company does

not have an account with the on their toes. Furthermore, at the weekend, when most of the travel-In addition, members of the ling business people head for home, many hotels drop their rates by nearly half to fill the American Automobile Association can arrange discounts of about 10 per cent at a number of chains including Courtyard empty rooms.

The company which owns the Hampton Inn group also runs the Embassy Suites hotels at the higher end of the mar-ket Embassy Suites are aimed specifically at business travellers, with comfortable bedrooms and separate living rooms where you can enter-

Among the cheaper chains, the only names to avoid are the Scottish Inns and Red Car-pet Inns, which left about 25 per cent of Consumer Reports' readers dissatisfied.

Instead, look out for Motel 6 hotels, which was recently acquired by Accor of France. The new owner has ambitious plans to improve the chain. A number of chains now offer a range of accommodation with varying degrees of ion Hotels At the lower end of the line,

For slightly longer stays, it is worth investigating Marriott's Residence Inns, which have fully equipped kitchens,

chain was the clear leader, with top ratings in all of the

luxury and price. Holiday Inn, for example, offers more upmarket accommodation through its Holiday Inn Crowne Plaza hotels, while Quality Inn's more sumptuous lodgings call themselves Clar-

Quality Inn has its Comfort Inns or its very basic Sleep

including microwave ovens. Consumer Reports gave this chain top rating in its highpriced hotel category.
At the very top of the market, the Four Seasons hotel

# Nowhere But New York. Nowhere But The Pierre.

 even more so after the dollar's recent dive. The per

diem for New York is \$282

(£143.10), ranking sixth in the

world after Paris - \$330 (£167.50), London - \$320

(£162.40), Stockholm, Tokyo and Milan, according to calcu-

lations by Runzheimer Interna-

tional, a Chicago travel consul-

Other major US and Cana-

dian cities are better value; Washington - \$216 (£109.60),

15th in Runzheimer's world

rankings); Chicago - \$192 (£97.40), 25th; Boston - \$186 (£94.40), 30th; Los Angeles -

\$183 (292.80), 31st; San Francisco - \$172 (£87.30), 34th; Philadelphia - \$162 (£82.20), 37th;

Montreal - \$136, (£69), 42nd; Dallas - \$135 (£68.50), 44th;

Toronto - \$130 (£65.90), 45th),

Seattle - \$126 (263.90), 46th;

and Miami - \$115 (£58.30).

politan areas, prices fall even further while room and food

standards generally hold up well. A day in San Antonio,

Texas, can cost \$99 (£50.20) for

example, or in Columbia, South Carolina, \$90 (£45.60). A

four-course dinner at the Holi-

day Inn at Sweetwater, Texas, costs \$9.95 (25.05) of which \$2

It is unlikely that business will take you to a town quite

ter, unless you are buying skins or meat at its annual

Rattlesnake Roundup. But you

could find yourself in one of scores of bigger cities, given the decentralised nature of the US economy. One of the great delights of such trips is the

opportunity to experience a more relaxed, hospitable Amer-

(£1) is for a bottle of beer.

as small or remote as Swe

Away from the major metro-



Even in a city as remarkable as New York, there is only one hotel that reaches beyond the standards of every other renowned hotel-because of the way it completely adapts to you. That hotel is The Pierre.

We anticipate your needs with a singlemindedness born of decades of tradition. It's a standard that means no request is too small or too large. That's what a grand hotel is all about. And it means your stay here will leave you feeling The Pierre is exactly where you belong.

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from New York to Los Angeles as from New York to London. The result is that North Americans use air travel the way Europeans use the railway, since even the relatively short trin from Boston to New

York is 190 miles.

Most small cities and towns in the US are linked to larger cities by what were once called scheduled air taxis", now dubbed regional airlines. The best way to fly to Akron, Ohio, for example, is by commuter

### Fares are linked to competition rather than distance

flight because most of the big-ger airlines serve Cleveland 30 miles north of Akron.

There are strong links between the regionals and the major airlines. For example, eight regional carriers operate under the USAir Express banner, using USAir's computer-ised reservations system. In USAir/Piedmont carried nearly 6m passengers, nearly as many as flown by KLM in the same period.

AIR AND RAIL: Best options outlined by Karen Zagor

# The hub of the matter

Tall travellers should note that most of the regionals operate turboprop equipment and the standing height of some cabins is less than five feet. In addition, room for carry on luggage is often more limited than

on the bigger aircraft.

Deregulation of the airline industry, initiated by the Carter Administration in the late 1970s, reshaped the face of air travel in the US. Each air-line now determines its own rules, including regulations on everything from liability for damaged baggage to boarding rules. The only exception is that no smoking is allowed on

any domestic flight.
Not least among the changes wrought by deregulation is the emergence of the hub system, which travellers ignore at their peril. Airlines use hub airports to gather passengers from varions destinations and send them on to other cities. The problem with hubs, from

a practical point of view, is that it has become difficult to

fly directly from one point in the US to another because airlines naturally like to route flights through their hubs to collect passengers from other

Although the Federal Aviation Association (FAA) has tried to prevent airlines from having monopolies at hub airports, different carriers are clearly dominant in certain regions. Delta Air Lines, for example, has an extensive network in the south-east, and is wirtually the only carrier with direct flights to its Salt Lake City hub in Utah. Flights to Salt Lake City on American, for example, are routed through American's hubs at Chicago or Dallas.

Furthermore, the US skies are controlled largely by only three carriers - American, United and Delta - which together account for about half the domestic market.

For travellers whose trips are confined to one sector of the country, it is worth traveling on the dominant airline, since flights are less likely to make stops and some airlines offer Visit USA discounts to foreign travellers which can lop as much as 30 per cent from standard fares.

Not that there is such a thing as a standard fare these days, thanks again to deregula-Rail can offer an attractive

alternative to flying

tion. Fares in North America are linked to competition on routes rather than distance travelled. On popular routes, there are so many discounts and special tickets on offer that it is rare to find a row of passengers on a jet where everyone paid the same amount.
Business travellers can take

advantage of corporate dis-counts, and if visiting a big American company it is worth

trying to book a ticket using its name.

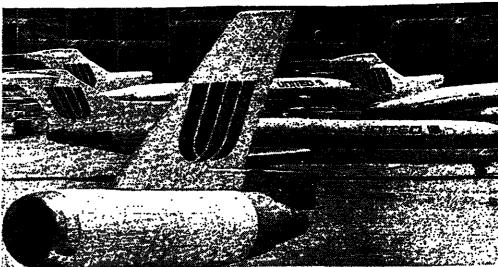
In spite of the growth of hubs, New York's John F Kennedy airport still has the largest number of international control of the still has the largest number of international control of the still of t flights, followed by Miami and Los Angeles International.

If possible, it is better to enter the US through the smaller gateways, where less traffic means a greater likeli-hood of prompt arrival and departure and the lines at cus-toms and immigration are gen-

However, a growing number of smaller airports now offer

direct flights overseas.

erally shorter.
Similarly, smaller airports are often more convenient when flying domestically. In Chicago, for example, Midway airport on the city's south side is about 30 minutes closer to the Loop than O'Hare at rush hour. In addition, there is easier access to parking and car rental at Midway and the walk between connecting



When air travellers in the north-east talk about the shuttle, they are referring to flights between New York, Washington and Boston, offered by Pan Am and Trump Air. The Trump flights leave on the hour, Pan Am on the half hour. Neither airline takes reservations but both guarantee every passenger a seat.

Amtrak, the state-run rail service, offers an attractive alternative to flying on the New York-to-Washington route in the form of its Metroliner, an upscale high speed train which covers the distance in about two-and-a-half hours. The advantage of the Metroliner is that it runs to and from downtown, avoiding snaris at

Montreal run takes slightly longer by train, but the Cana-dian rail service has a special business section where you can read and work without distrac-

It is also worth investigating the railway for travel within a region. Unfortunately, the vast size of both Canada and the US makes train travel impractical for longer journeys.

### Quick guides to airports, hotels, restaurants, business, leisure and climates in important cities (see Page 4)

# **Business by the Pacific**

LOS ANGELES, variously known as La-La Land, the Big Orange, El Lay and Tinseltown has been dubbed superficial by an east coast which knows better but manages to mask its envy well.

LA is everything foreigners love to bate most about the US big, brash and badly polluted with an overahundance of beautifully fit people who happily flaunt their bodies on the city's beaches. Yet the city has become America's westernmost business centre, whose rise is linked directly to the growing importance of the

Pacific Rim.
Los Angeles International Airport, generally referred to as LAX, is big, somewhat confusing and nowhere near the city's business or main residential districts.

Cabs from the airport can be expensive. Instead, take the Super Shuttle (777-8000), which costs about \$15 (£7.90). Advance reservations are necessary (LA area code is 213). Or rent a car. It is possible to survive in Los Angeles without one, but it would be a meagre

Public transport is a parody of the infrastructure found in are no solution. They cannot be hailed on city streets and the sprawling mass of LA makes fares prohibitively high. If the thought of jumping directly into the city's labyrinthine freeway system from an international flight is daunting, it is possible to get to most points by taking Sepulveda Boulevard towards Beverly Hills and beyond. Ask for directions from the car rental

Rent-a-Wreck (478-0676 or 818-762-3628) is a cheaper alternative to major car hire firms. But Angelenos have been known to judge a man by his car, so try Luxury Line (659-5555) for vehicles worthy of a chief executive.

### LOS ANGELES

LA's streets run straight and wide, with a few exceptions including Sunset Boulevard and Beverly Glen. However, in recent years more and more cars have been coming onto the roads, and rush-hour traffic jams are now the norm on free-

ways. Hotels are an integral part of LA's working life. It is not unusual for business to be conducted at breakfast meetings at the Beverly Wiltshire's restaurant or to have evening meetings at the Polo Lounge in

Downtown (yes, there is a downtown LA), the Biltmore (624-1011) sets the standard for old-style LA charm with its combination art deco/Spanish Gothic decor. Also downtown is Checkers (624-0000), which is strewn with antiques and also boasts a first-class kitchen, and the St James's Club (654-7100) which is small, exclusive and accepts non-club members.

The low room rates at the Chateau Marmont (656-1010) on Sunset Boulevard belie the establishment's prestige. Long a favourite of celebrities escaping the limelight, it is less pol-ished than its more newsworthy sisters but has much more :haracter.

The Hotel Bel-Air (472-1211) and Beverly Hills Hotel (276-2251) vie with each other for the city's most decadent lodgings. Both have glamour and beauty galore, but the Bel-Air's extensive grounds make it seem more of a resort. At the airport, mini-hotel

**Bradley International Terminal** for brief resting spots between Most big hotels have facilities for conventions. Otherwise, there is the Los Angeles Convention Center on Figueroa

rooms can be found at the Tom

Street, downtown (741-1151). LA's favourite restaurants are more changeable than the seasons. At present, Citrus on the most accolades, thanks to the skill of chef Michel Richard and his staff. The Citrus lunch menu is considered one of the best bargains in the city. Other local favourites

include Spago, where getting a table can be a problem for those without celebrity status. The City Restaurant on La Brea provides a taste of LA's art scene and some of the best desserts in town, while downtown the 7th Street Bistro is

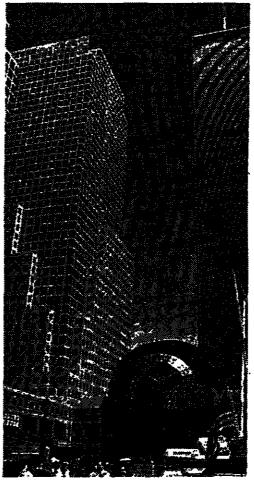
The Musso and Frank Grill (known as Musso Frank's) is a long-time favourite haunt of film crews. For Mexican food, try the Garden of Taxco, Casablanca, Casa Carnitas or the Border

Contrary to popular belief, LA has a vibrant art scene. The city's museums include the Museum of Contemporary

Art downtown, the Norton Simon in Pasadena, or drive up the coast to the J. Paul Getty For tourism Hollywood-style, visit Universal Studios or Disneyland in Anaheim.

For trips outside the city, the Mission Trail runs south to San Diego or north beyond San Francisco, with a stop at San Simeon for the Hearst Castle. Days in LA are generally sunny, with temperatures soar ing above 27 deg C (80 F) in July through September, and (65 F), even in January.
Nights are cool, even at the height of summer, so take a

Boston's financial district seen from the harbour (above) The World Financial Centre Development in New York City (left) and San Francisco Bay





# Love or hate it experience

BURSTING WITH life, the third All three are served commerce and adventure. New by buses. Your hotel could also York City is everyone's idea of the ultimate urban experience wonderful or awful. Whether you love or hate every wakeful or sleepless moment in the Big Apple, you will certainly remember it.
For all its intimidating

frenzy and inhuman scale, New York can be tamed. Locals know how to make it bearable at least, exhilarating at best. Visitors inevitably find the task harder, but will find their New York friends and associates willing to share some of the tricks. Money is the easiest pain-re-

liever. If your travel budget runs to first class airfares, helicopters in from the airport, a suite at a palatial hotel, the unflagging help of its concierge and a chauffeured stretch lim-ousine, your visit should be

### **NEW YORK**

more than tolerable. But there is no need to chew up next year's profits. Less rarefied forms of travel and accommodation will do nicely.

Doing business can be frustrating in New York. Many

cram too much into a people cram too much into a day, delaying, rushing or cancelling meetings.

Getting around midtown by car can take for ever – consider taking the subway; it is

much better than its reputa-tion. For a welcome change of pace stroll through Central Park. But is New York safe? No. compared with European cities; yes, compared with many urban centres elsewhere in the world Daylight, crowds, location and caution are the best protection. Seek advice from locals.

Most likely, you will arrive

in New York at one of its three airports — Kennedy and Newark for international and long-distance domestic flights, La Guardia for short haul, domestic and Canadian flights. Taxis into Manhattan cost around \$40 (£20.30) from the first two airports and between \$15(£7.60) and \$20 (£10.10) from

arrange a limousine pick-up. Luxurious accommodation and thoughtful service can ease the strain. Among the top ranked hotels are: Carlyle (744-1600), Lowell (838-1400), Mark (744-4300), Peninsula (247-2200), Pierre (888-8000), Plaza (759-3000), Stanhope (288-5800), Waldorf-Astoria (355-3000). Area code is 212. With more than 25,000 res-

taurants, eating out is a serious business running from the \$10 (£5.00) a head neighbour-hood dive to the \$100-plus gourmet's delight. Virtually any cuisine from around the world is on tap. How about kosher Moroccan at La Kasbah? Some of the places to eat-and-be-seen are: Bice, Four Seasons, La Cote Basque, La Grenoville, Le Bernadin, Le Cirque, Lutece, Petrossian, Quilted Giraffe, Rainbow Room, Russian Tea Room, 21. New York Magazine is a good food and entertain-

Convention and exhibition space is available at many hotels. The city runs the huge Jacob Javits centre on the Hudson River. Any time left over from business can happily be spent shopping on Fifth Avenue, exploring the city's neighbourhoods, museum visit-

heighbourhoods, museum visu-ing or enjoying sports. An excellent companion is Michel-in's New York City guide. It is relatively easy to escape into delightful countryside. Try up the Hudson River — partic-ularly in the autumn — around provide the particular of Poughkeepsie for Franklin D.
Roosevelt's house, a Vanderbilt
mansion and the Culinary
Institute of America for excel-

lent food. Autumn, from late September to early November, is New York's loveliest season. The city basks in warm temperatures and fresh air. Summer can be uncomfortable with Fahrenheit temperatures in the 90s and high humidity and smog. Spring is brief and unpredictable. Winter temperatures vary from 4 deg C (40 F) to well below freezing-

point, but days are generally fairly dry.

# Something old, something new

BOSTON IS an eclectic mix of old world charm and futuristic

sophistication. The ancient waterfront is the site of the Boston Tea Party, the anti-British upris-ing that led to the War of Independance. Nearby Cambridge is home to several world-class research institutions, including Harvard University and the Massachusetts Institute of Technology. The east coast's premier high-tech enclave lies along the famous Route 128.

Large exhibition spaces can

be booked at the John B. Hayes auditorium and the World Trade Center. Most big hotels have conference facili-Logan International Airport

is a mere three miles from downtown. A cab into the city takes about 20 minutes and costs around \$12 (26.30). A bus service runs every 30 minutes

### **BOSTON**

from 8 am to 7 pm, costing \$6.50 (23.45). For less than \$1 (53p), you can take the blue line subway to downtown's Government Center Station, A more pleasant journey into the city is the Airport Water Shut-tle. The 10 minute ride across the harbour to Rowes Wharf costs \$7 (£3.70) and runs every 30 minutes during the rush hours (the service does not run in winter). The modern Boston Harbor

Hotel (439-7000) on Rowes Wharf has health club facili-ties and meeting rooms. Bos-ton's "Grande Dame", the ton's "Grande Dame", the Copley Plaza (267-5300), is filled with old world elegance. The other great lady of Boston is the Ritz Carlton (538-5700). Try the Lenox Hotel (536-5300) for a more intimate atmosphere. Along the same theme is the small and elegant Bostonian (523-3600), located at Faneuil Nall Marketplace (all numbers are area code 617). numbers are area code 617).

Boston has had a culinary explosion in excellent ethnic and nouvelle restaurants. lays are generally

Anthony's Pier 4 serves Boston Scrod (baby cod), lobster, creamy New England clam chowder (not the tomato-based

programme and the second secon

tan) and raw oysters.
Other top seafood restaurants include Jimmy's Harbor-

side, a Boston tradition, and Legal Sea Food in the Park Plaza Hotel. Reservations are not accepted at the latter. The Colony is known for its excelent food, while New England cuisine with a French accent can be found at L'Espalier and Le Marquis de Lafavette. Boston offers an array of

cultural and sports activities. The Boston Symphony, Ballet and Boston Pops perform at Symphony Hall. Sullivan Sta-dium is the place to see the New England Patriots football team. Take in a Red Sox game at Fenway Park, the oldest and most soothing major league field in the US.

In a city of research, educa-tion and history, museums are plentiful. They include the JFK Library, The Museum of Science and Hayden Planetar-ium, the Museum of Fine Arts, the New England Assertion the New England Aquarium, and the Isabella Stuart Gard-ner museum. Telephone Eventsline (267-6446) to find

out what's on. Boston is a shopper's delight. Each neighbourhood has its own distinct retailers: Back Bay, with its elegant 19th century shop fronts, Copley Place with its designer boutiques and Faneuil Hall Marketplace, a favourite with

Boston's location makes it ideal for day trips and week-end outings. Cape Cod, where the Kennedys roam the beaches, Thoreau's Walden Pond, Salem (home of the witch hunts), historic Plym-outh, Lexington and Concord

outh, Lexington and Concord are nearby.

The weather is changeable.

As Bostonians say, "If you don't like the weather, just wait a minute." Winters are cold and damp, with icy winds, snow and sleet. Autumn with an average temperature of 13 deg C (55 F) is the ideal time to visit. Summer temperatures to visit. Summer temperatures average a comfortable 22 deg C (72 F), but they can soar up into the 90s. Spring is a comfortable 9 deg C (49 F).

Rivka Nachoma

After the earthquake SAN FRANCISCO may not have the smog and murderous freeways of its sprawling southern neighbour, Los Angeles, but it did have the 1989 earthquake. Visitors should not be deterred.

Die-hard San Franciscans won new respect from the rest of America when they shrugged their shoulders, rebuilt devastated neighbourhoods with startling speed and showed no intention of moving to safer ground. This stunning bayside city of cable cars, tow

ering glass skyscrapers and bustling neighbourhoods is worthy of this loyalty. Getting there, however, is still traumatic because of reconstruction on one of the main freeways into the city from San Francisco Interna-tional Airport, 15 miles south of the city.

Taxi fares are posted outside

the arrivals terminal with a recommended fare of \$24 (£12.70) to downtown. There is also a bus service to the major hotels which departs every 20 minutes and costs \$4 (22.12). Once you have arrived, there are plenty of wonderful hotels to choose between. The Mark Hopkins (392-3434), on top of leafy Nob Hill, boasts the Top of the Mark rooftop bar, a favourity local meeting place. of the Mark roomop bar, a favourite local meeting place. Also on Nob Hill is the Stanford Court (939-9500), with its beautiful glass-domed courtyard carriage entry (the area code is 415).

In the financial district, the Hyatt Regency (788-1234) has a marked a facilities for business and the standard of the standard o

numerous facilities for business people and features a spectacular 20-story atrium. For those in search of something more contemplative, there is the Casa Madrona (332-0502) in Sausilito, perched

on a hillside overlooking the vast San Francisco Bay.

There is no need to hire a car in town. The Bart metro is clean, quick and efficient and buses and cable cars can easily transport you around the city. The San Francisco area claims to be the gastronomic capital of the US, with an average of

one restaurant to every 200 inhabitants. There are hundreds of Chinese restaurants, of course, but

### SAN **FRANCISCO**

for something a little different, try Chez Panisse across the bay in Berkley. An acclaimed restaurant offering California culsine with a French twist, it cuisine with a French twist, it is owned by Alice Waters, made famous in Arlo Guthrie's song "Alice's Restaurant". Back in town, Ernie's with its French Nouvelle and The Blue Fox's Italian fare are two San Francisco traditions. Newer on the scene, the Fog City Diner is making a name for itself with its eclectic menu ranging from burgers and milkshakes to homemade sausages with

A popular city for conven-A popular city for conven-tions, San Francisco has the Moscone Center, the Civic Auditorium, the California Masonic Memorial Temple and the Cow Palace all available for exhibitions. Many hotels have conference facilities for gmeller sythesings

smaller gatherings.
The performing arts are well

represented with the San Francisco Symphony, Opera and Ballet companies, and the American Conservatory Theatre. The Museum of Modern

Art, California's Academy of Science and Ripley's Believe it or Not Museum, with its collec-tion of record-breaking phenomena, are just a few wonderful snots.

Candlestick Park, the stadium which the world was watching as the earthquake interrupted the World Series baseball game, is home not only to the Giants but also the 49ers football team. San Francisco is a shopper's

dream. Union Square is the west coast equivalent of New York's Fifth Avenue, surrounded by numerous upmarket department stores. Pier 39, near Fisherman's Wharf, has decome of interesting and dozens of interesting and unique shops and, just a short walk away, there are more boutiques in The Cannery and Ghirardelli Square. For wine lovers, the Napa

For wine lovers, the Napa and Sonoma valleys are an hour's drive north of the city. Many of the leading California wineries are open to the public with tours and tasting rooms. Domaine Chandon, in Sonoma, also has an excellent restan-rant, while the Robert Mondavi Winery in the Napa valley hosts a summer music festival Within easy driving distance of San Francisco is the seaside artists' colony of Carmel and Monterey, which also has an impressive aquarium and a notable population of sea lions. The drive along Highway One south of San Francisco offers sturning clifftop views of the

Pacific Ocean.
San Francisco's weather is typical of a seaside town, famous for drizzling rain and fog rolling in across the bay. Temperatures are relatively mild, regardless of season.

Rivka Nachoma

delayed by bad weather or traf-fic. In addition, tickets on the Metroliner cost substantially ess than the shuttle. Similarly, the Toronto-to-

airports. And trains are rarely

### **CAR RENTAL**

### Stuck without a car

IN HIS first public speech after Iraq's invasion of Kuwait, Pres-ident George Bush sald he had dispatched US troops to the Middle East to defend the "American way of life".

More than a few cartoonists and wags suggested that the President really meant "18 miles per gallon". With many hig American cars still guzzl-ing gas, Middle East oil is vital to take Americans to work, home, shopping and play -and foreign business travellers

on their appointed rounds. Nothing could be more American than driving. Pity the poor visitor to the US who pales at the thought of getting behind the wheel. There are few alternatives in this land of huge distances and scant public mass transit. Your hosts might fetch you hither and you if they want to sell you something, but if the boot is on the other foot, that foot needs to reach for the gas pedal.

Racting a car is easy and economic, costing around \$50 a day for a large car with a generous mileage allowance. Add \$20 (£10.60) per day for New York. You need a major credit card valid in the US and with a large enough credit line to cover somewhat more than the expected rental charge.

bribern le

Rental companies say you only need a driver's licence valid in your own country. What they really mean is one printed in English so that their counter staff can tell whether you are qualified to drive a lawnmower, bulldozer or some-thing in between. To avoid hassles at the counter, it is best to get an International Drivers Licence before you leave home and bring your passport to the rental office as well.

It is a good idea to make

reservations before you leave home in case you happen to bit town the same day as a large convention. All the leading rental companies such as Avis, Hertz, Budget, National, Thrifty, Dollar and General either have operations in your country or links with a local company. Book through them, travel agents or airline.

It pays to shop around with a clear idea of what your rental will entail — how many days and miles; whether you will

return the car to the renting location or to a distant ciry (the latter could mean a hefty drop-off charge). Some companies will not let you drive their cars one-way across country.

Another key factor at airanother key factor at arports is the car renters' location. Thrifty, Dollar and General are a short shuttle bus ride away from airports which allows them to offer cheaper rates than the majors located on site.

on site. Rates usually include minimal insurance cover. Consider mai manage cover. Consuer taking additional cover at a fee of around \$10 per day. The range of rental rates from small to large cars is narrower than in Europe so it is better value to drive a bigger car.

Consuelly wented accepts will Generally, rental agents will be helpful in explaining the car's controls to you — all will be automatics and almost all air conditioned — and in giv-

ing you local directions.

Except in New York City,
drive sedately. Leave your
European flair at home — Americans believe in laws, lanes and signals. "I'm still recovering from a trip to Italy last year," one senior executive of a large American rental firm said recently. said recently.

Roderick Oram

EUROPE

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ORLANDO

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DALLAS/FORT WORTH

CINCINNATI

ATLANTA

# The true picture

CHICAGO IS burdened by images of its former self – a town of gangsters, meat packing plants and belching smokestacks. But today the visitor will find a clean, thoroughly will find a clean, thoroughly modern and sophisticated city that has become a world finan-

The city is home to the world's two largest futures markets, the Chicago Board of Trade and the Chicago Mercan-tile Exchange, and the world's premier options exchange, the Chicago Board Options Exchange. The Mid West Stock Exchange is the largest US regional securities market.
These financial markets

dominate life in the city's bustling downtown business district (known as the Loop, after the roughly rectangular pat-tern of elevated train tracks in the city centre). Even if you are not doing business in the futures and options markets, it is worth visiting them to wit-ness the frenetic trading pits where the time-honored, if chaotic, method of open outcry is

Chicago remains an important industrial location: 39 of the Fortune 500's industrial companies are located here. As a consequence of its impor-tance as a business centre, all major US banks and brokerages have Chicago offices. Branch offices of 51 foreign banks are open here. The Windy City is a popular

venue for conventions and business meetings. Large trade show facilities are available at the McCormick Center Hotel, and other major botels, such as the Hilton Towers, Hyatt Regency and Palmer House,

### **CHICAGO**

have convention and meeting facilities.

For accommodation along the Magnificent Mile, the city's poshest area, the Drake at Walton Place and Michigan Ave-nue (787-2200) is vintage elegance; a smaller yet equally distinguished alternative is the Park Hyatt at 800 North Michigan Avenue (280-2222). Both are expensive at \$180 (£91,30) upwards (area code for all numbers is 312).

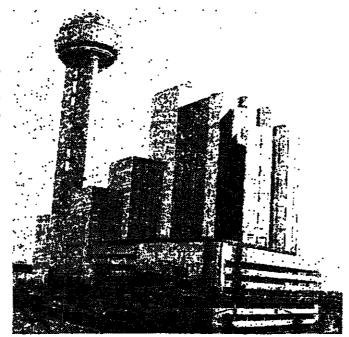
More moderate priced choices in the same area are the Talbott at 20 East Delaware (944-4970) or the Richmont at 162 East Ontario (787-3580). Closer to the business district are the Palmer House at 17 East Monroe (726-7200), Hilton Towers at 730 South Michigan

ful Morton Omni at 500 South Dearborn (663-3200). Chicago is a beautiful city. Set on Lake Michigan, a wide public park along the lake offers a panoramic view of some of America's best modern architecture, including the Sears Tower, the world's tallest building. The Chicago Art Institute

has a superb permanent collec-tion and fine special exhibits. The Lyric Opera, the Chicago Symphony and numerous good theatres offer high entertain-ment. And Chicago's blues, jazz, comedy and night clubs are some of the best in the US. For dining, the city is served by more than 6,000 restaurants, many offering ethnic fare. A selection could include the Everest Room at the top of 440 South LaSalle Street for French cuisine with a spectacular view, Harry Caray's "sports bar" type steak house at 33 West Kinzie Street, Shaw's Crab House for good seafood at 21 East Hubbard, or the popular Gino's East at 160 East Superior for a sample of

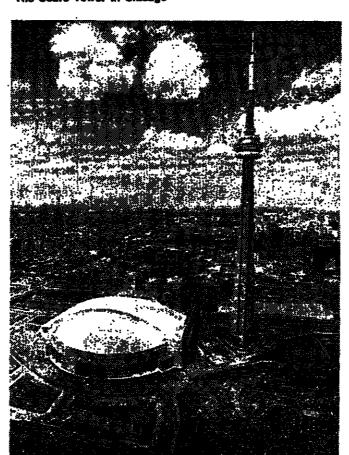
Chicago style deep dish pizza. Finally, while the city's weather is not always welcoming, Chicagoans have not lost

Barbara Durr



Hyatt Regency Hotel, Dallas





Robert Gibbens Toronto's new Skydome, near the CN tower

# Good French accent

WHEN MONTREAL celebrates its 350th anniversary in 1992, it will be a little faded in parts but showing a new vitality. It is after all the world's largest French-speaking city after Paris, and Canada's most cos-

The city sits on a 35-mile long island in the mighty St Lawrence River, dominated by the 750 ft Mount Royal. Three large bridges connect it to Quebec City, Toronto, New York and Boston. The conurbation holds about 3m people, making it second only to Toronto in

Skyscrapers, including the 45-storey Place Ville Marie, might suggest Montreal is just another North American city astride a waterway running 1.000 miles inland to the Great Lakes and 1,000 miles to the

Atlantic. But Old Montreal has survived its 350 years and the developers' bulldozers surprisingly well, even if restoration work is slow; the Old Montreal of the 17th and 18th centuries Victorian era and the bustling boom of the 1960s.

Founded by the French in 1642, just 34 years after Quebec City, Montreal began life in the

During the industrial revolu-tion, the railways and heavy emigration from Britain and Europe, Montreal came under the control of Anglophone merchant families. Some of their mansions survive on the southern slopes of Mount Royal and are now part of

McGill University. For several generations Montreal was the business capital of Canada, losing the title in the 1960s to Toronto because of the pull of development to the centre of North America and the West.

Today the Francophones have regained economic control following the departure of about 100,000 Anglophones in the 1970s when Quebec had a separatist provincial government. Montreal is about 70 per

cent Francophone.
The jet engine killed the ocean liner traffic up the St Lawrence to Montreal, but the city remains Canada's biggest transport hub. It jostles with Baltimore for the title of sec-ond-largest east coast con-

Mirabel International Air-port is finding a North American scale vocation and alms to be connected by high speed trains to Toronto and New

York one day. Montreal has a 40-mile rub-

### MONTREAL

ber-tyred subway system, similar to the Paris Metro. The business district is central. Whether you arrive by Dorval domestic airport or Mirabel, a cab to the city centre costs between C\$30 (£13.60) and C\$50 C\$7 (£3.10) and C\$10 (£4.50). Journey time is about 30 minutes in light traffic, double in the rush hour.

Hire cars are moderately priced, but petrol is much more expensive than in the US. Central garage parking costs between C\$7 (£3.10) and C\$15 (£6.80) a day. There is a wide range of

hotels in central Montreal and the suburbs. A chic spot where business and politics meet is the Ritz Carlton on Sherbrooke Street (514-842-4212 or 1-800-223-6800). Others include the Quatre Saisons, Reine Elisabeth, Chateau Champlain and Meridien. All have excellent restaurants, full amenities, conference and convention facilities; prices range from C\$150 (£68.40) to C\$235 (£107.30) a night, with some bargains in the winter.

from C\$100 (£45.60). There is a wide range of restaurants in Old and New Montreal, French cuisine and international. Prices, including good wine, range from C\$100 (£45.60) to C\$200 (£91.30). For classic French cuisine, try Les Che-nets, 844-1842, cost C\$100 (£45.60) upwards. Montreal is Canada's second rgest convention and sports

Medium level hotels start

city. The vast new Palais des Congres (871-8226) specialises in international events. The French-designed Olympic Stadium. East-central, is unique in North America. It hosts baseball, while the hockey team, Les Canadiens, plays at the Forum, West-central. Montreal has four universi-

ties. McGill. Université de Montreal, Concordia and the Université de Quebec. The Musée des Beaux Arts offers international exhibits, while the McCord Museum specialises in Canadiana. The Montreal Symphony

Orchestra performs at the Place des Arts (842-2112) and leads a lively musical scene. French language theatre is thriving, English struggling. For the feel of Old Montreal, visit the Sulpician Seminary

on Place d'Armes and the Cha-

teau de Ramezy museum nearby. The 17th and 18th century fortification walls are visible everywhere. Montreal is host to the Canadian Grand Prix Formula One race (on the old Expo 1967 site). the International Film Festival

and the International Mara-All winter sports facilities are available within one hour's drive, while Mount Royal is ideal for walking in summer

and winter. Average temperatures range from 21 deg C (70 F) in summer to -10.2 deg C (14 F) in winter.

DALLAS and Fort Worth, collectively known as the Metroplex, a sprawling mobilis-ation of highways, skyscrapers and suburbs, is in many ways the classic American city of the 1990s.

Skyscrapers gleam like beacons in the big sky of the empty Texas landscape. Many suburbs exude cleanliness and wealth; the financial core is beat a but officient. hectic but efficient.

But Metroplex is more busi-ness than pleasure. Its downtown empties at night and cars, not people, often seem its lifeblood. Visitors may find themselves yearning for the gritty pleasures of a musty but more lively neighbourhood. Dallas-Fort Worth Interna-

tional Airport, like everything else in the Lone Star state, is larger than life. Located midway between the two cities. Manhattan could fit into its confines. A journey of about 18 miles will take you to either downtown. The cab fare to Dal-las is about \$25 (£12.60), and the trip takes 30 minutes in light traffic. The time and fare can double during rush hour. A cheaper alternative is the Super Shuttle mini-bus (817-329-2000) whose fare runs between \$10 (£5.00) and \$14 (£7.10). Reservations can be made at the airport courtesy phone and a mini-bus collects passengers 15 minutes later. Better yet, hire a car. Dallas-

Fort Worth covers a huge area. If your appointments are scattered, your car-hire bill could easily cost less than cab fares. Of the many excellent hotels in Dallas, the most elegant and

A popular choice is the Adolphus (214-742-8200), in the heart of downtown. The rooms are finely appointed and guests

### DALLAS

have privileges at the Texas Club health spa. Another downtown favourite, The Fairmont (214-720-2000), has recently been completely renovated. The Four Seasons Resort and Club (214-717-0700) in Las Colinas has conference facilities, a health spa and an 18 hole golf course on its 400

Dallas chefs pioneered one of the most exciting cuisines in America, known as "Southwestern Nouvelle": picture gril-led cactus and pineapple salsa. Routh Street Cafe is an award-winning spot to sample this style of cookery. Nearby Baby Routh is an airy bistro serving "down-bome, Texas-style food".

las is a prime spot for conven-tions and trade shows. Dallas

Turtle Creek (214-559-2100). An Italianate villa spread over 4.5 acres, this luxury hotel offers a health spa and use of the nearby Brookhaven Golf and Tennis Club.

For Mexican meals, try La Calle Dolce in the Oak Cliff section of town. For Continental cuisine, the French Room in the Adolphus Hotel and the restaurant in the Mansion on Turtle Creek both offer excellent, though costly, choices, With three major sites, Dal-

Center complex has several

spaces including Infomart, a full-service facility with its own theatre, 35 meeting rooms, a 2,500 seat conference room, a 2,500 seat conterence room, 300,000 sq ft of exhibit space and parking for 10,000 cars. The Dallas Convention Center has twice the square footage and plans to double that by the end of the 1990s; State Fair Park is another popular convention and ention spot. For sports enthusiasts, both

Texas and Arlington Stadiums offer major league football and

and museums. Of particular interest is the JFK Museum, housed in the building from which Lee Harvey Oswald shot the President in 1963. Six Flags Over Texas is a Disneyland-style amusement park. A 24hour telephone service, Artsline (522-2659), lists cultural

Dallas is considered one of the most over-malled cities in is Neiman-Marcus, an upmar-ket shop famous for luxurious and unique gifts such as his and her Cessna aircraft. In nearby Fort Worth, the historical stockyards are an interest-ing diversion. San Antonio, home of The Alamo, is a short flight away and a great place

often soaring over 38 deg C (100 F). Winters are relatively mild, although there are occasional cold spells. In the spring, rain and dust storms are common.

Rivka Nachoma

# Safe but exciting

NEW YORKERS wish their city were more like Toronto clean, safe, efficient. Torontonians wish their city were more like New York - glamorous,

New Yorkers, it appears, will never get their Toronto wish list. Torontonians, on the other hand, are getting a taste of New York's sophistication without most of its problems.

culinary excellence, first-class theatre and museums and charming neighbourhoods are becoming the envy of the rest of Canada and, increasingly, of

the biggest and richest in the its disparaging meat-and-pota-toes reputation as "Toronto the

shore of Lake Ontario, Toronto has two airports, Lester B. Pearson International Airport being the main one. It lies about 18 miles north-west of the city centre, and is served by all the major carriers. A smaller airport on an island in Toronto's harbour handles commuter flights from Ottawa, Montreal and some nearby US

Taxis and limousines are costly. The bill from Pearson to downtown will cost you at least C\$30 (£13.60). The airport express bus service is a viable alternative. Buses leave every

getting around is convenient and cheap. Toronto has one of the world's most reliable and extensive subway systems, and is also one of the few cities that has retained its electric trolleys. They are lumbering beasts, but the nostalgia is

**TORONTO** worth it. Taking the Queen Street trolley east to the Beaches, a village-like neighbourhood with a pleasant tree-lined boardwalk along the lake,

is a worthwhile jaunt. In the past decade, Toronto has witnessed an unprecea result, visitors can stay in glass towers, many with acres of convention space, that look like they were plucked from Dallas, or genteel old establish-

ments that cater to the high-Deluxe newer hotels include the Four Seasons (964-0411), Westin Harbour Castle (869-1600), the Sheraton Centre (361-1000), the Toronto Hilton (869-3456) and L'Hotel (597-1400). Charming older hotels include the Royal York (368-2511), the gracious old dowager across from the train station, the King Edward Hotel (863-9700), the Windsor Arms

Arms (968-1331). An influx of immigrants and wealth has transformed Toronto into a city of passion-ate restaurateurs. Check Toronto Life magazine for list-

(979-2341) and the Bradgate

Portuguese neighbourhoods all have excellent restaurants. French, American, Mexicanand Continental cuisines are also widely available.

A warning about alcohol: you still cannot get a drink in Torronto after 1 am a vestige of the city's puritanical heritage.

Toronto has become a top venue for conventions and con-ferences. Most big hotels have ample space, especially the Royal York downtown and the Constellation Hotel, near Pearson airport. The International Centre, also near the airport,

caters to large shows.

If you need a lot of space downtown, try the enormous Metropolitan Toronto Convention Centre.

out of Toronto. The Blue Jays, which enjoy the highest attendence in baseball, have a new home at the new Skydome, famous for its retractable roof. The Argonauts are its football team and the Maple Leafs are its hockey team.

When hi

For daytrips, don't miss Nia-gara Falls, slightly more than an hour's drive from Toronto. In nearby Niagara-on-the-Lake, the Shaw theatre festival is ceiebrated every summer. Stratford, about two hours away, is home to the famous Shakespeare festival.

Toronto summers are hot and muggy; its winters damp and grey. Contrary to popular belief, the city is usually not buried in snow from December until March; but slush is prevalent, so bring boots.

Eric Reguly

# Tips for travelling in North America

### HEALTH INSURANCE

Healthcare costs are high. Arrange for medical and dental coverage beforehand. Select a policy which offers at least \$500,000 (£265,957.40) total coverage. In Canada, you can purchase

daily "emergency cover" from Blue Cross. Policy applications are available at most pharmacies as well as Information Centres. Purchase as many days as you need to a maximum of six months coverage. However, you are not eligible

Belgium 11-21-23 Denmark 80-01-01-23

France US-90-81-14

Germany 01-30-21-10

to apply for the scheme if you have been in the country more as they are treated like cash at than 10 days.

### TIPPING

Service charges are seldom included in restaurant and bar bills; a 15-20 per cent tip is appropriate. Taxicab drivers expect at least 10-15 per cent gratuity added to the fare. The same is true for hairdressers or

### MONEY

You should bring travellers Access or Visa credit cards can be used for purchases or to

as they are treated like cash at most places. Use cheques in small denominations when paying for goods and services and carry your passport for

American Express travellers cheques are most widely accepted Travellers cheques in foreign currencies can be changed at most major banks as well as bureaux de change. but fees tend to be high. Personal cheques from for-eign banks are of little use.

obtain cash at major banks and automated teller machines (ATMs) displaying the Visa and Mastercard symbols. If your bankcard belongs to the Cirrus or Plus networks you can get cash from any ATM displaying those symbols. American Express offices provide travellers cheques or cash to their cardholders.

### AUTOMOBILE

Car hire firms automatically add collision insurance. Members of the British Automobile Association may be eligible for exemption. Check with the car hire firm before you book. In Canada, visiting drivers must vary from province to province. Information is available from the Canadian Automobile DRIVERS AND

have full liability insurance, but minimum coverage will

### Driving laws are at the state or

provincial level and vary from region to region. In the US, 55 mph (88 kph) is the national maximum speed, but individ-ual states often impose differing limits with signs posted along each thoroughfare. These limits are strictly enforced by local authorities and radar detection is widely used to catch violators. Pleadlaws does not always help and fines can be high.

Drinking and driving is

taken very seriously and first time offenders will have their licence suspended. In some states an open liquor bottle in the car is enough to cause you serious problems.
Pedestrians should avoid

"jaywalking". Crossing against a red light or at other than proper crossing places is illegal and a fineable offence in many

### BUSINESS BEHAVIOUR

Official work hours are from 9 am to 5 pm, but there is a wide variation across the country. On the west coast, companies often link office hours to Wall Street. Their days begin as early as 6.30 am and by 5 pm the financial districts are virtu-

ally deserted.

Executives may guard their leisure time, but most do not object to important calls at home. Their home telephone number often appears on busi-

invitations tend to be more social. The days of the three-hour, three-martini bunch are long gone as executives are rarely willing to be away from their desks for more than 90

ple, while on the west coast and in Canada dress tends to be more casual. DINING

can be as early as 5.30 pm. In some small towns, restaurants will not serve evening meals after 7.30 pm.

not be written on the charge slip. It is up to the customer to fill in the tip box and add that to the total When using your charge card, ask for and destroy any carbons to avoid misuse of your credit card

and bars cannot serve alco-holic beverages until noon.

### SMOKING

Smoking is prohibited in many public places and on domestic air carriers. There are desig-nated smoking sections at most restaurants.

sights. Do not count your cash in a public place. In case you become a victim, carry about \$50 (£26.50) cash to placate the mugger and avoid violence (New Yorkers refer to "mug

### money"). MISCELLANEOUS

Telephone numbers are some times replaced by letters. For example, Amtrak railway information is 1-800 USA-RAIL. Just use the corresponding number on the dial. There are a number of excellent books for business people travelling to North

Two in particular are The Economist Business Traveller's Guides and Travellers USA & Canada Survival Kit by Susan Griffith and Simon Calder. Both titles are published in the

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baseball games.

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the US. The most famous store

to spend a weekend. Dallas summers are hot and humid, with temperatures

### 30 minutes and costs C\$8.75 ings and culinary fares. Chi-(£3.99). nese, Greek, Indian, Italian and Once you arrive downtown,

Unfortunately, New York's sky-high prices have become part of the package.

Toronto's ethnic diversity,

the US too. This city of three million -

Located on the northern

cities, including New York.

20 minutes from each airport terminal for the big hotels in the financial district and along the waterfront. The trip takes Power breakfast meetings are standard, but after-work

Conservative dress is favoured by east coast and middle American business peo-

Mealtimes are earlier than in Europe Lunch is at noon, and dinner (often called supper) When charging a meal to your credit card the total will

Liquor stores are closed on Sunday by law and restaurants

To avoid being mugged always walk in well lit, well travelled areas. Walk with a sense of

**Business Air Travel** 

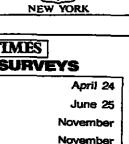
your destination and do not stop along the street to look at a map or to peer up at the

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### MANAGEMENT

Design and development

# Total consistency in all aspects of a product

Christopher Lorenz reports on what the Japanese mean when they talk of all-round 'integrity'

they are deluding themselves. In a desperate attempt to match the Japanese ability to slash the time-scale and cost of new product development, they have introduced a raft of new have introduced a rait of new management processes. Two of the most popular are cross-functional project teams spanning previously rigid departmental boundaries; and "simultaneous engineering", in which previously sequential phases in the design and development process are run increasingly in process are run increasingly in

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But in many cases these new approaches are being managed far less effectively than western companies themselves realise - sometimes to a dangerous extent.

For one thing, there is inade-quate communication between the different functional specialists whose work now overlaps. For another, too few of the project coordinators are suffi-ciently heavyweight, with strong official and informal influence over not just engineering, but also over produc-tion, marketing and sales — from the initial product con-cept right through into every detail of the product and its

This is one of the main implications of what is possibly the most thorough research study yet carried out into the management of product design and development in Japan,

Europe and the US. The five-year study, by a team from the Harvard Business School under Professor Kim Clark, looks only at the car industry, examining project management by every major motor manufacturer (20 in all) in the late 1980s. But the European and US car-makers' growing use of teams and simultaneous engineering during that period has acted as a powerful model for companies in other sectors.

So the implication of the study, reinforced by wide-spread evidence of weak proj-

American manu-facturers are western companies are falling unaware of it, but into similar traps to those which have ensnared most European and American car-

The Harvard research underlines how much more productive and speedy the best Japanese motor manufacturers are at product development than their European and US compet-

The most significant difference, according to Harvard's research, is that car development projects in Japan are, on average, almost twice as efficient as western ones, requir-ing only 1.7m engineering hours per project versus around 3m in the US and Europe. Japanese development lead times from concept to market averaged just under four years during the study period, compared with around five in the US and Europe.

The Japanese figure not only represents an average over a period of years — it has since fallen further — but also hides considerable differences between the fastest (presumably including Honda and Toyota, though the report does not say) and the slowest.

A foretaste of the Harvard results, which will be pub-lished later this year in book form, was given on Monday to a conference in London on Product Strategies for the 1990s, organised by the Finan-cial Times in collaboration with the UK Design Council and the Boston-based Design Management Institute.

The growing importance of shorter lead times, higher development efficiency and what he called greater all-round "product integrity" all at the same time – was underlined by Professor Takahiro Fujimoto of the University of Tokyo, Clark's chief assistant on the Harvard project. As consumer tastes have become more fragmented into

niches, customers have also come to expect every aspect of a car to be "integral", said Fujimoto; excellence in some

The first property of the first mage is the second for the second of the

any European and ect teams in a broad range of aspects, or novel technology American manuorganisations, is that other does not impress users any does not impress users any more. They now want total consistency in every aspect of the product's function, appear-

ance, feel and so on, he said. When consumers become as insitive as this to a product's subtle nuances, the organisa-tions which develop those products have to be able to cope with the consequences, Fulimoto continued. For that to happen, every detailed aspect of the development organisation itself has to be

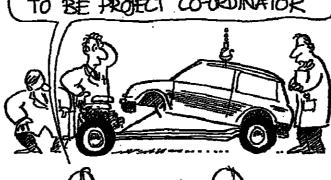
For their research. Clark and Fujimoto developed compli-cated indicators of the organi-sational muscle of project co-ordinators ("internal integra-tors"), and also of the muscle of what they call "external integrators" - employees who keep in direct touch with marketplace trends, and who integrate those factors into the detailed design of the product.

The research showed that, the stronger the internal integrator, the faster and more efficient the project tended to be. Similarly, the stronger the external integrator, the higher the "product integrity" (and also the product quality). "The study also found,

among volume car pro-ducers, that the development organisations which achieved the best lead times, productivity and "product integrity" tended to be those which combined powerful internal and external integration into the hands of one person. Christening such individuals "heavyweight product managers", Fujimoto forecast that in the 1990s they could also come to be vital players in the development process for more un-market cars.

One of the unusual distinguishing features of such product managers compared with conventional project co-ordinators, said Fujimoto, was that they have direct contact with actual and potential customers. As well as influencing, and learning from, market research

ME? I THOUGHT YOU WERE SUPPOSED TO BE PROJECT CO-ORDINATOR



suffering from what he called "the over-specialisation syn-

drome", while others (mainly Japanese) appeared to benefit from lower levels of specialisa-

tion without losing technologi-

An even starker difference

was in the contribution of sup-pliers to product development.

flexible, to share objectives,

cal expertise.



ing specialists, heavyweight product managers and their staff conduct their own first-hand research. "Product managers need market imagination the ability to forecast future customer expectations based on ambiguous and equivocal chies in the present market," Fujimoto said.

Though most of the heavy-weight product managers whom he and Clark found in the best performing Japanese companies were engineers by training, Fujimoto said that they tended to operate in a very similar fashion to industrial designers in terms of behaviour patterns and breadth of skills. Other recent international

studies on product development have suggested that, in companies such as Sony and Sharp, industrial designers themselves sometimes serve as powerful product integrators. But Fujimoto said that such cases were heavily concen-trated in applications of con-sumer electronics where the prime competitive factor was not innovative technology, but the "interface" between prod-

Clark and Fujimoto's analysis of what makes most Japanese car development so effective also compares the degree of specialisation of engineers in Japan and the West. The broader the task assigned to each engineer, they found, the faster and more efficient the

projects tend to be.
Fujimoto said that many development organisations (mostly Western) seemed to be product development". Apple Computer

# The fruits of flexibility

The US company is pinning its hopes on getting more products to international markets faster. Louise Kehoe reports

week staged the most elaborate product launch in the company's 13year history - a multi-million dollar worldwide series of events that included television ests to 121 countries.

As the brouhaha diminishes, however, Apple faces a crucial test. If the company's strategic move to increase market share by lowering prices is to pay off, then Apple must greatly increase its sales volume.

Apple is pouring \$45m into an advertising and promotion campaign to attract buyers. The bigger challenges for the company, however, lie in production. So, for the past year, it has been fine-tuning its purhasing, manufacturing and distribution systems in preparation for this week's events. "We are undergoing a major transformation of our business in a single quarter," says Fred Forsyth, vice president of worldwide manufacturing.

Apple must become a "global, high volume, highly flexible manufacturer," he says. The new Macintosh models are already being churned out Japanese car companies tended to minimise the size, complexity and timescale of their own development projects by getby Apple's three factories - in ting parts suppliers to do a sig-nificant part of the engineer-ing. In Japan, the estimated Fremont, California, in Singa-pore and in Cork in the Repubaverage suppliers' contribution lic of Ireland. Each plant proto each project, at almost 40
per cent, was almost twice as high as in Europe and virtually increase its share of the proincrease its share of the pro-duction load on a short-term

four times that of the US level.
Finally, Fujimoto reported
that, in Japanese projects, the
"upstream" stages of product
development (such as product
engineering) and the "down-Flexibility is vital because patterns of demand are diffi-cult to predict. Apple has attempted to gauge demand by running special price promo-tions in selected markets, but stream" ones (eg process engi-neering) tended to overlap there are many unknowns. Fears of a US economic recesmore thoroughly than in European and US projects. Japanese practice showed that overlapsion may, for example, slow sales. Escalation of the Gulf ping could shorten lead times crisis might bring the personal effectively only when it is com-bined with intensive communicomputer market to a halt. cations between upstream and Yet in order to take full

advantage of the prime per-sonal computer selling season, downstream, he reported.

Effective overlapping, said
Fujimoto, also required everyone to be able to cope with
incomplete information, to be between now and Caristmas, Apple must be ready to respond quickly if it finds itself with a run-away success on its hands.

and to trust each other. If such "It is like being on a race conditions could not be met be warned, the overlapping of phases was likely "to result in confusion, conflict, and a detetrack. We have to go all out," says Forsyth. The company curves in the track". Apple is not ignoring the business envirioration in the effectiveness of

pple Computer this week staged the most elaborate product in the company's 13-istory — a multi-million contractors and temporary contractors and temporary employees. "We have 50 per cent flexibility," Forsyth explains. If demand for the new products is 50 per cent

below the company's projec-tions, then production can be cut without worker layoffs. Similarly, Apple has contingency plans to gear up produc-tion by about 30 per cent should its expectations for the new products prove conserva-

From the moment that the first new Macintosh is delivered to a customer, however, Apple will begin to gather data that will determine its production schedules for the new models. At regularly scheduled weekly, monthly and quarterly meetings with regional and national market-ing groups, many held via video-conferences, Apple execu-tives review demand and

Integration

Since the arrival of Michael Spindler as chief operating officer in February, the integration of the forecasting pro-cess with manufacturing has been working much better at Apple, says Forsyth, who joined Apple 18 months ago from Digital Equipment.

An important aspect of Apple's efforts to improve the iveness of its manufacresponsiveness of its manufac-turing has been to work more closely with suppliers. Ninety per cent of the cost of the Mac-intosh personal computer is in purchased components.

The aim is to achieve 'virtual integration', which means having all of the virtues of a vertically integrated manufac-turer without all of the bag-gage – the capital investment required to develop and build our own components," says

Forsyth. Apple sims to become more closely coupled with its suppli-ers and has set up a rigorous global supplier certification programme that covers not only component quality and pricing but also the ability to respond to Apple's needs at its three far-flung plants with technical support and swift deliveries.
Speed is essential if Apple is

to meet its new goals. The company anticipates shorter product life cycles and aims to introduce new products more frequently. "Some will be bet-ter than others," Forsyth acknowledges.

In the past, Apple lost market momentum by constantly reworking its product designs and delaying introduction. The best example of this, perhaps, is the Macintosh Portable, introduced a year ago after three years in gestation. By the time it reached the market

it was uncompetitive. "The ability to launch new products quickly, with simul-taneous world-wide introduc-tion of localised versions that is the goal," says Forsyth.

In the past, Apple introduced products in the US while

announcing shipping dates of several weeks or months later in other parts of the world.

With this week's product introduction Apple has made some headway. "Almost all" European countries have localised versions of the new Mac-

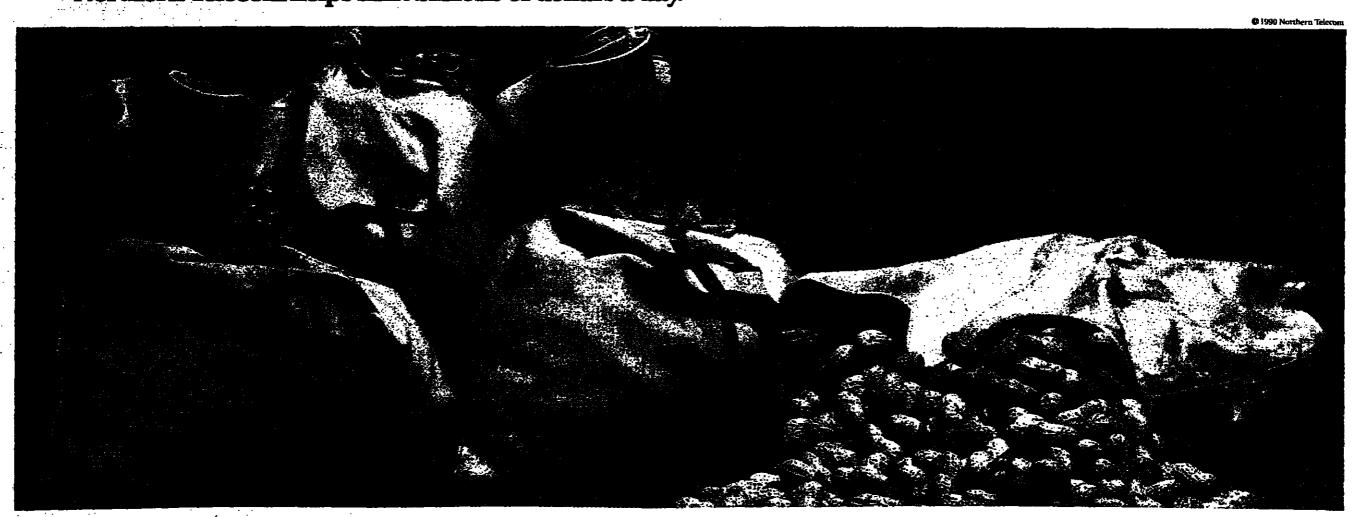
intoshes this week. Japan and other Asian countries will have their own language ver-sions within a few weeks. Like other leading electronics manufacturers, Apple aspires to the goal of "custom-er-driven manufacturing" the ability to respond flexibly and quickly to customer demands. The task is made infinitely more complex by the

increasing number of

'options" offered on products. Apple currently builds no less than 1,200 different configura-tions of its products. At its factory in Cork, Apple configures generic versions of its products for European markets. Currently, incoming orders take three days to ship.

By the end of the year, it will be just two days, Forsyth pre-dicts confidently. Ultimately, Apple sees customer-driven manufacturing providing it with a long-term competitive advantage. The company's new "mission state-ment" is that Apple should "never fail to deliver highquality, cost-effective personal computers when our customers want them".

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### **BUSINESS AND THE ENVIRONMENT**

chemicals has provoked increasing

concern among consumers and state regulation has been progressively

tightened. Big Green would go a great deal further by banning from the start of 1996 pesticides with an "active" ingredient — in other words, the

ingredient that kills insects - which

are "known to cause cancer or repro-ductive harm". It also sets up a \$20m

fund for research into alternative farming techniques to replace banned pesticides. Supporters of the measure say farmers need to be weaned off pesticides and this will force the pace

of technological change.

About 20 pesticides would be directly affected, but opponents of Big

Green argue that many more chemi-cals - up to 50 or 75 per cent of those

used by farmers — could be involved.

These, they argue, could fall under a provision of Big Green banning cancer-causing "inert" ingredients — the chemicals used to carry active ones —

in just two years' time, and under clauses defining active ingredients in

The last insults are being polished, the final arguments glossily videotaped, as a deeply divided California prepares to vote on the world's most sweeping environmental initiative a package of reforms which could have economic repercussions far beyond the state.

On November 6, the same day they On November 6, the same day they elect a new Governor, Californians will decide the fate of Proposition 122, more generally known as "Big Green", in a popular referendum.

The initiative, promoted by an alliance of environmental ginger groups and liberal politicians, aided by a generous sprinkling of Hollywood stars, is an extraordinarily broad assault on

is an extraordinarily broad assault on environmental pollution.

It would attack agro-chemical risks in food by hanning those pesticides known to cause cancer or reproductive harm;" it would combat the greenhouse effect by mandating a 20 per cent reduction in Californian car-bon dioxide emissions by the year 2000, with a 40 per cent reduction by 2010; it would protect the earth's ozone shield by speeding up the internationally agreed phase out of chlorofluorocarbons and other damaging chemicals; it would ban offshore dril-ling for oil in state waters, save the ancient redwood forests and require that a new tree be planted for every 500 square feet of commercial or resi-

dential development.

The impact on the Californian economy would be dramatic. As a study from the Bank of America points out "Nearly every aspect of the way we live will be affected, including the food we eat and the way we get from place to place.

There would be a wider knock-on effect as well. California has long been on the cutting edge of the envi-ronmental debate and passage of Big Green might spur other US states, and eventually other countries, in a similar direction.

But a "yes" vote is far from certain, for the initiative is being opposed by a powerful combination of business and political interests which argue that Big Green is well-meaning but utterly misguided – a messy omnibus mea-sure which has been poorly thought through and will impose enormous and unrealistic costs for minimal benefits. It is, they add, a partial and local solution to problems which require international initiatives.

That message seems to have been earning converts, despite the endorsement of Big Green by Dianne Feinstein, the Democratic candidate for Governor, in a television advertisement full of billowing smog and sewage strewn beaches. For latest opinion polls suggest that the proposition's early advantage has been sharply reduced, if not eliminated altogether.

when the debate gets beyond per-sonalities and raw appeals to emotion, the central issue is the thorny old problem of weighing up the relative economic costs of the initiative against benefits which, by their nature, are much harder to quantify.

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Martin Dickson watches as Californians prepare to vote on an environmental initiative which will change their lives

# Big Green's chances of a clean campaign



However, in this case, even the economic costs are impossible to gauge with any accuracy. This is in part because of the sweeping and very gen-eral nature of some of the measures. But there are many other unknowns, including the precise definition of some clauses, the attitude of the state in implementing the measure, the role of the courts in ruling on the inevitable challenges, and the extent to which 128 complements or conflicts with environmental policy in other states and countries. There is also a states and countries. There is also a question mark over the degree to

which technological change might alleviate the burden.

So economists – be they for Big Green, against or neutral – have come up with costs which are billions of dollars apart. Whatever the precise sum, most of the studies show that Californians will have to pay a high price for their cleaner environment. Economic growth will be slower, the cost of living will be higher, and some major industries may become less competitive," says the restrained Bank of America report.

The most costly measures would be the control of the most costly measures would be the control of the cost of the

those controlling carbon dioxide emis-sions, which set extremely ambitious targets and a very short-time scale in which to achieve them. This would have a profound impact on the transport and power generation industries, which together account for roughly

two thirds of the state's CO2 output. Many economists say the price of petrol would have to rise sharply to discourage motorists from using the roads — not an easy task in a state where people drive everywhere and public transport is minimal. At the same time, choice of cars could be restricted to models with very high fuel efficiency. Power station costs and therefore fuel bills - might also leap upwards as utilities encouraged energy saving and invested in alterna tive sources of power. Ironically, this hunt could include nuclear energy -

mental groups.

However, backers of Big Green sug-

which is anathema to most environ-

However, backers of Big Green suggest that there is still great untapped potential for energy saving in California. This, coupled with technical advances in automobile fuel efficiency, make the targets attainable. Yet the wider question is whether the benefits of cleaner local air outweigh costs which will make the state far less competitive in many industries than rivals. Furthermore, while California's war on the greenhouse effect would give the world a strong moral lead, it would have only a minimoral lead, it would have only a mini mal impact on global warming, with a 20 per cent CO2 cut estimated to reduce world output by less than half a percentage point.

a particular way. Particularly fierce debate over 128 has raged around the agriculture Like farmers elsewhere, Califor-nians use chemicals intensively because they mean cheaper production costs — in the post-war period chemical prices in the state have doubled, while labour costs have risen fivefold — higher yields and a more consistent, attractive-looking product with a longer shelf life.

The industry recognises that it needs to reduce this dependence. This is partly because of consumer worries over the effects on the environment and on food safety, partly because of concern over the beatth of farm workers and partly to reduce costs.

The farmers' central complaint

The farmers' central complaint against Big Green is that it goes too far too fast. On food safety, in particular, the industry argues that the initiative plays on human fears and ignores a basic principle of toxicology - that the risk from exposure to a - that the risk from exposure to a substance depends on the dose and not simply the presence of the substance. They point to a list of scientific studies suggesting that the practical risk of getting cancer from pesticides is extremely small.

Big Green, they say, will greatly increase costs, lower yields, and place the Californian farmer at a grave

the Californian farmer at a grave competitive disadvantage to rival US states and foreign countries — such as Mexico and Chile — which have far more liberal regulations.

Furthermore, elimination of some fungicides could actually raise cancer

risks, promoting the growth of naturally occuring carcinogens, while the banning of other pesticides would force farmers to use alternatives far more intensely.

The critics also argue that, paradoxically, the chemicals targeted by Big Green could severely disrupt the main

Green could severely distunt the main alternative to heavy pesticide use. This is called integrated pest management and combines careful use of chemicals with predator insects which kill off other bugs.

To counter Rig Green, the farm lobby has come up with its own initiative, dubbed Big Brown, which takes a more gradualist approach to pesticide removal. If both propositions get more than 50 per cent of votes, the more popular of the two takes precedence.

Pity the poor Californian voter who tries to make sense of these and some 18 other propositions on next month's ballot. The background pamphlet

pages, most of it dense legalese.

That is prompting more and more
Californians to ask whether the referendum - introduced in the state in 1910, but only important in the past 15 years — is a sensible way to make policy or whether it undermines representative democracy, with its lengthy expert debating of issues and

hard-won compromises.

By contrast, proponents and opponents of Rig Green are engaged in a last-minute battle to woo the floating voter who could make or break the proposal. The fate of an immensely complicated issue, of profound economic weight, may come down to the popular appeal of a glamorous actress in a 30-second video clip.

# Calls for a global raid on pollution

By David Thomas

Dusiness will face I increasingly tough envi-ronmental demands in the UK no matter which party wins the next general election.
That much is clear from the
publication on Monday of the
Labour Party's proposals for

the environment.

All the main political parties in the UK are now committed to tightening the environmental screw on business.

The government's White Paper.

"" wilhighed last month. Paper\*, published last month, set out a host of ways in which companies could improve their

companies could improve their environmental performance.

Among the steps demanded of senior managers by the White Paper were a review of "all aspects of the business that may affect the environment, including products (design, development and production and the impact of their use and disposal), production processes (emissions, waste management and opportunities for recycling, energy tunities for recycling), energy use, building construction and management, transport and distribution, services and public relations (including the

possibility of corporate spon-sorship of environmental groups).

The White Paper is dotted with hints that government action might be necessary if business does not react of its own volition by, for example, hoosting the quantity of waste products that are recycled. For its part, the Labour Party has by common consent produced. more stringent environmental proposals than the government's, though whether this stringency is justified will remain a matter of fierce con-

troversy.
Meanwhile, the Liberal Democrats have positioned them-selves as greener than either the Conservative or Labour parties, thus ensuring that environmental issues will fea-

environmental issues will rea-ture strongly whatever the balance of political forces after the next election.

Many of the most important pollution problems are global, demanding a worldwide response. Quicker deadlines ing chlorofluorocarbons (CFCs) agreed in June are one example. Another is the mounting international pressure to curb emissions of greenhouse gases, notably carbon dioxide.

Even at a regional level, more ecological initiatives are formulated on a cross-border basis. International probasis. International programmes to clean up polluted seas or rivers, for instance, are becoming commonplace. The European Commission has made its environmental mark with proposals ranging from legislation for less polluting car engines through to stricter controls on waste disposal. These developments translate themselves into costs and opportunities for business. Costs: because in reacting to tougher CFC timetables, for example, a host of industries from refrigeration makers

example, a host of industries from refrigeration makers through to semiconductor manufacturers will have to adapt their production processes. Opportunities: because the chemical company which is first to make the next generation of post-CFC compounds could find itself with a huge competitive advantage.

The costs and opportunities of a greener environment are or a greener environment are converging for companies throughout the world. Ecologi-cal disasters on the scale con-ficating most East European countries have prompted responses from companies located in Europe, North

America or Japan.

Moreover, governmental action is not always the most powerful force shaping companies' environmental strategies.

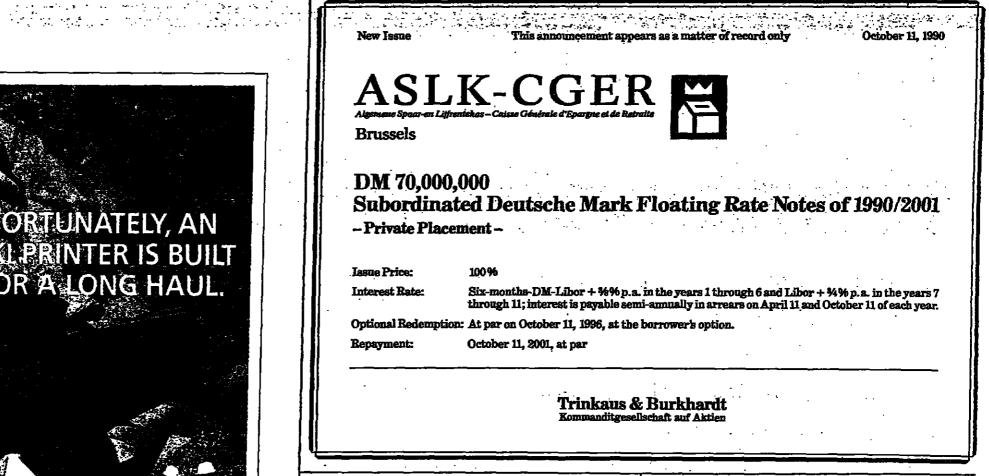
The awakening ecological consciousness of employees and consumers, together with growing concern among investing institutions and insurance companies about environmental risk, are often more innoctant factors. America or Japan.

more important factors. The new weekly FT page on business and the environment will address these issues. The focus will be on how specific companies throughout the world are responding to the new environmental pressures. The intention is to alert busi-ness people to the new envi-ronmental agenda as and when it develops.

\*An Earthly Chance Labour Party, Walworth Road, London SE17 1JT. £2.50. \*\*This Common Inheritance: Britain's Environmental Strat-egy. HMSO. E24.50.



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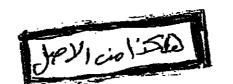
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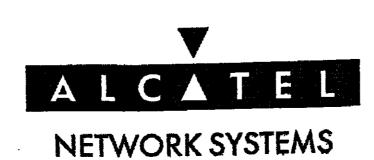
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**FINANCIAL TIMES** 

### FT LAW REPORTS

# Sugar must be ready to load

COMPAGNIE COMMERCIALE SUCRES ET DENREES V

CZARNIKÓW LTD House of Lords (Lord Bridge of Harwich, Lord Brandon of Oakbrook, Lord Ackner, Lord Oliver of Aylmerton and Lord Jauncey of Tullichettle): October 11 1990

THE SELLER under an Lo.b. contract incorporating the rules of the Refined Sugar Association, must have such sugar as is called for by the buyer available for loading without delay or interruption as soon as the vessel is ready to load; and failure to have it available immediately is a breach of condition entitling the buyer to treat the contract

The House of Lords so held (Lord Brandon dissenting) when allowing an appeal by buyers, C Czarnikow Ltd, from a Court of Appeal decision (Lord Justice Kerr dissenting), (Lord Justice Kerr dissenting), FT July 26 1989, that the sellers, Compagnie Commerciale Sucres et Denrees, were not in breach of condition under a contract for the sale of sugar.

LORD ACKNER said that on December 11 1985 the buyers contracted with the sellers on the Assuc Sugar Contract No 2 form, for the purchase of 12,000 metric tonnes of white crystal sugar on f.o.b (free on board) stowed terms.

Delivery was to be to one or

more vessels presenting ready to load during May/June 1986, buyer to give seller not less than 14 days notice of expected readiness to load.

The contract incorporated the rules of the Refined Sugar Rule 11 provided that in Lo.b stowed contracts the buyer had the option of taking delivery in one or more lots during the contract period.

contract period.

Rule 14 provided (1) that that in f.o.b stowed contracts "the seller shall have the sugar ready to be delivered to the buyer at any time within the contract period", and (2) that the buyers "having given reasonable notice, shall be entitled to call for delivery of the sugar between the first and last working day inclusive of last working day inclusive of the period of delivery".

On May 15 the buyers gave notice to the sellers for the Naxos to lift full contract

quantity estimated time of in rule 11 it was clear that "the arrival Dunkirk 29/31 May 1988. sugar" must refer to the entire The vessel presented for loading on May 29, but despite repeated calls by the buyers the sellers did not have the sugar ready to be delivered.

On June 3 the buyers telexed the sellers helding them to be

the sellers, holding them to be in default for not having provided the cargo, and informing them they were treating the contract as terminated.

The sellers contended they had until the end of the deliv-

ery period (May/June 1986) to deliver and that the termina-tion was invalid.

The buyers claimed the difference between the contract price and market price on June and for loss of despatch. The arbitrators found in their favour on both of the

in their award they stated that the effect of rule 14 was that the sellers should have had the sugar ready to be delivered at any time during the contract period, and that the buyers having given rea-sonable notice were entitled to call for delivery between the first and last working days

inclusive of that period.

They came to that conclusion because time of delivery was of the greatest importance in commercial contracts, the rule 14 wording, "the seller shall have the sugar ready to be delivered" and "the buyer shall be entitled to call for delivery", was emphatic; the reason the buyers must give reasonable notice was that it enabled to the sellers to per-form their very important obli-gation to ensure the sugar was available for commence

loading; demurrage would not be adequate compensation because it was important to the buyer that cargo should be available as called for, to fulfil onward commitments. The first question was whether rule 14 imposed on the sellers an obligation to have the sugar available to begin

loading immediately on the ship's arrival after proper notice of readiness to load the It was common ground that rule 14(1) should be construed against the background of the general law relating to Lo.b

contracts and in the context of the rules. Rule 14 was concerned with "the sugar" specified in a "notice...calling for delivery". In view of the buyers' option

sugar" must refer to the entire contractual quantity, or to any lesser quantity for which the buyers might have called if they had exercised their option of taking delivery in one or more lots.

In context, "ready to be delivered " meant that the delivered meant that the sugar must be available for loading without delay or inter-ruption in the event that the vessel was able to start loading at once and to continue with-

out interruption.

The requirement was to have the sugar ready to be delivered "at any time" within the contract period, not "at all times". The particular time was when the vessel duly nominated by the buyers presented herself ready to load the

agreed cargo.
Correctly interpreted, rule
14(1) could be restated: "The
seller shall have the sugar
called forward available for
loading without delay or interruption as soon as the vessel is ready to load the cargo in ques-

The reason for the rule's The reason for the rule's existence was clearly expressed by the arbitrators in their award: "Contracts... are often concluded with a reasonably long period of delivery and at a price which presupposes the buyer's right to call for delivery at any time having effect recovereble notice. given reasonable notice.

This is a valuable option

which the buyer would lose if the seller were entitled to deliver whenever it was willing and able ... within the delivery period. This would turn a buyer's option into a seller's

On its proper construction rule 14 imposed on the sellers an express additional obligation of which they were in breach by June 3. The second question was

whether the obligation imposed by rule 14(1) was a condition of the contract.
In Bunge v Tradax [1981] 1 WLR 111, Lord Wilberforce, having stated that the courts should not be too ready to interpret contractual clauses as conditions, said that "in suitable cases the courts should not be reluctant ... to hold that an obligation has the force of a condition, and indeed they should usually do so in the case of time clauses in mercantile contracts".

This was a mercantile con-

errly be described as a "time

It imposed an obligation to have the goods called forward available for loading at a definite time — at the expiration of notice of expected readiness. to load, and as soon as the vessel presented herself ready to load within the contract

In Bunge Lord Lowry observed that the treatment of time limits as conditions in mercantile contracts appeared to be a practical expedient founded on and dictated by the founded on and dictated by the experience of businessmen.

in the award the arbitrators considered rule 14 as being "of the utmost importance" and that under the rule the buyers were entitled to prompt deliv-ery so that the cargo would be available to fulfil onward com-

Evaluation by this experienced trade tribunal of the commercial significance of rule 14(1) was wholly justified. Rule 14(1) was crucially important to the buyers, since it removed the risk that absence or insufficiency of cargo would cause delay.

It ensured to a very large extent that loading would be promply commenced and speedily carried out and thus enable buyers punctually to

perform their own obligations to their customers.

The rule tended to provide certainty, an indispensable ingredient of mercantile con-

The appeal was allowed and the award of the Council of the Refined Sugar Association was

Lord Bridge, Lord Oliver and Lord Jauncey agreed.

LORD BRANDON agreeing on the first question but dis-senting on the second said that the contract treated breaches of other contractual obligations which would also cause delay as breach of warranty. not condition. The logical way io interpret the contract with its incorporated rules was to classify all obligations, breach of which would cause delay in

loading, in the same way, as For the buyers: David Johnson QC and Duncan Matthews (William A Crump).
For the sellers: Martin Moore-Bick QC and Stephen Males

(Richards Butler) Rachel Davies

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# Casken & Donizetti

John Casken's Golem to bear many different kinds of staging, and Warner's was undeniably, even overwhelmingly, powerful. recently had its American preindees three performances in Omaha, Nebraska. This remarkable and arresting opera, as Max Loppert wrote last year opera, as Max Loppert wrote last year, proved well worth the long flight from New York.

Elchard Pittman, the director of Boston's Musica Viva, conducted an adept ensemble drawn from the Omaha Symphony. John Pascoe designed. Keith Warner produced. There was much thoughtful, powerful imagery, but there was also one big drawback, the place of performance. It was given in the auditorium of the Joslyn Memorial, a huge pinkmarble pile on a centractive authorize, open spaces around

entinence, open a centre-city entinence, open spaces around it, erected in 1928-31 and given to the city by the widow of the richest man in Nebraska—an Artemisia of our century.

The Joslyn Memorial—a temple that resembles a fortress, attained by wide, grand outdoor marble steps comparable to those that lead to the Sydney Opera House—is Deco simplified to Moderne as the Depression struck. Its audito-Depression struck. Its auditorium, at the heart of a rich art gallery, is a columned, galler-ied marble rectangle with a proscenium platform at one end: a temple interior. But sound from the plat-

But sound from the platform, it seems, is reluctant to
set the hall sounding, and so
the Omaha Opera builds
another stage out into the
hody of the hall, reducing the
capacity from 1200 to about
750. From that stage, voices
tell strongly—all in one room,
18th-century fashion. But the
Golem orchestra was kept
behind the prosceptum, right behind the proscenium, right at the back, and was further masked by decor. Since Cas-ken's opera (which I got to know from a tape of the BBC's Almeida relay) lives as much in the instrumental inventions as in the singers, one had to make a conscious effort at "rebalancing". The effort was

worthwhile.
In the opera there are compounded, along with the Golem legend, strands from Genesis, Prometheus, Faust, Frankenstein, *The Ring*. The subject, which strikes deep, is creation and the relationship between a creator and his creation that takes on a life of its ation that takes on a fife of its own. In the closing soliloquy, God (and, in passing, perhaps Wotan) is apparently taken to task for his flawed - well-in-tentioned but self-serv-ing-handiwork. The libretto, Casken's own, is terse, dense, allusive; marred by a cliché or two but inspiring, not preten-tious or confusing. And the score is precise, pungent, and beautiful, filled with eloquent invention and tautly con-

There were strong performances from Terry Hodges (the Rabbi), Gordon Holleman (the Golem), Douglas Stevens (Ometh, Prometheus, spirit), Jayne West (the Rabbi's wife, the female element whose flute music enters to make a human whole of the beautiful Golem-Ometh love duct) and Thomas Bogdan (Stoikus, who is now Ometh's father, now John the Baptist; and also from Martha Kasten, Kric McCluskey, and Carl Salowa, completing the

I would produce Golem dif-I would produce Cotem dif-ferently, with a stronger emphasis on the orchestra. Even in the Joslyn Memorial auditorium, the players could surely have been advanced. Warner's projections on a screen were fidgety and too specific. At the close, his rifled supers directing the cast into a prison camp narrowed the applications. But Golem is an opera rich and strong enough

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ingly, powerful.
The other offerings of Oma-ha's Fall festival were the capha's Fall festival were the captivating Angelina Reaux's one-woman Weill-anthology show Stranger Here Myself and the American stage première of Maria Padilla one of those marvellous late-Donizetti operas, filled with human feeling and untransmelled musical invention. I'd like to write a rave review, as I did of the Dorset Opera production of Maria Padilla, the British première of the opera, two years ago. But Renée Fleming, the Omaha heroine, and so promising a few years ago, had replaced her former gentleness, freshness and purity with loud, squealy and searing projection of notes above the staff. She was still agile, beautiful at low volume and sometimes at full volume. The marble acoustics may have played a part in distorting the timbre. ble acoustics may have played a part in distorting the timbre, but even when one made allowance for that the ten-dency to push and "balloon" the sound whenever the line rose above the staff was appar-

One is severe about Miss Fleming because she is poten-tially an important singer. She sang Maria's recitatives freely, sang maria's recitatives freely, movingly, with an eloquent command of the text. Stella Zambalis, the Ines, forfeited sympathy by singing her recitatives in e-qual-ly stressed syl-la-bles, as if uncomprehended Italian meant nothing more to her than note-values. Motti Kaston, the Pedro, asked for the antience's indulgence. for the audience's indulgence because of illness but then sang with beefy assurance.

sang with beety assurance.
Hans Ashbaker, the Ruiz, had
a shaky start but came into
focus for his later scenes.
Pascoe both designed and
produced, none too efficiently.
Mid-act scene changes hung
fire. Almost everyone was
dressed in flowing white, a few
in black. Donizetti left two in black. Donizetti left two closes to his opera: originally Maria, raised to a pinnacle of happiness, then expires in ecstasy, to shocked, spoken comment from her husband and her father; in a revision she survives, to enjoy her triumph. Omaha used the nusic of the revised "happy ending", but at the close of it the Duke of Albuquerque stabbed the heroine, and Blanche of France, Maria Padilla's rival (a mute role), in a gleaming emerald dress dominated the final tableau.

final tableau. An insensitivity to Donizetti opera was everywhere evident. Give the singers something to do" was the apparent maxim, and that something was either an irrelevant, fidgety doming or doffing of clothing or crude, unstylish embracing, pawing, snogging, copulating corum populo. But the opera is rich enough to bear many different

kinds of interpretation.

John DeMain conducted his rces as well as can be expected in the Joslyn Memorial setup, where the singers can, on television monitors, see their conductor clearly but he which is far more important cannot see them, catch their

expressions or breaths.
Mixed feelings, then, about
Omaha. Love for what they do.
Admiration for their careful, adventurous repertory and casting. Perhaps they will soon put on *Greek* as they did, at the last festival, with The White Rose. But the Joslyn auditorium is not the place where an opera can make its fullest impact. Golem should now make its way to the chic-shabby, focussed auditorium, with its receptive audience, of the Brooklyn Majestic.

Andrew Porter

### **TELEVISION**

# Don't knock Auntie

Pecause the chairman of the BBC is called Duke Hussey some of the less sophisticated members of his staff believe him to be an aristocrat. Actually "Duke" is short for Mar-maduke, but the mistake is understandable because Mr Hussey is the sort of grandee who might well have a title: he went to Rugby and Oxford, served in the Grenadier Guards, holds directorships in Guards, holds directorships in several large companies, and before joining the BBC was managing director of the Thomson Organisation when it owned The Times and the Sunday Times. Moreover, his wife is Lady Susan Hussey, but she holds that title in her own right, having acquired it as Woman Of The Bedchamber to The Queen.

The Queen.
The present Director-General of the BBC, Michael Checkland (in whose appointment Margaret Thatcher is said to have taken as great an interest as she did in the choice of Mr. Hussey) is the first man to have the next when the root was river to the root with the control of the root was river to the root with the control of the root was river to the root with the control of the root with the root was river to the root with the root with the root was river to the root with the root with the root with the root was river to the root with have risen to the post not via programme making but as an accountant. He worked for Paraccountant. He worked for Parkinson Cowan and Thorn Electronics before joining the BBC. Prior to taking the corporation's top job he was Chairman of BBC Enterprises, the profitmaking bit of the organisation which sells magazines, books and records. Since he became D-G, BBC Enterprises has been instructed to go for bigger profits on Radio Times and, to the fury of the programme makers and at least some members of the public, programme credits the public, programme credits have been cut while features on travel, gardening and so on have been expanded, with concomitant increases in advertis-

very top of the organisation which was described at last week's Conservative Party con-ference, to wild applause, as "a socialist institution" and "the Bolshevik Broadcasting Corpo-ration". The most depressing aspect of this occasion was not the wind-baggery of the speakers (though any journalist who produced so little evidence to middle of the road outfit which has long been admired worldwide for its fairness and honcesty. support such sweeping generalisations - and that little mostly wrong - would expect condemnation) but the clearly genuine nature of the reaction. While most of the applause at the Tory conference seems to have more to do with duty and PR management than with real enthusiasm, it was clear during the attack on the BBC that the invective was prompting a truly popular response. So, do rank and file Tories

really believe that rank and file members of the BBC staff are raving lefties? Do they are raving lefties? Do they think that, even if the men at the top are archetypal examples of the great and the good, their infinence is nil, and lower down it becomes "a socialist institution riddled with left wing activists"? Perhaps some really do. It cartainly seems to be true that very few extreme (or even moderate) right wingers are attracted into television drama, at the HBC or anydrama, at the BBC or anywhere else. And it is true that when he was running Channel 4 Jeremy Isaacs admitted that it was difficult to find right wingers who were keen to make opinionated programmes which would counterbalance

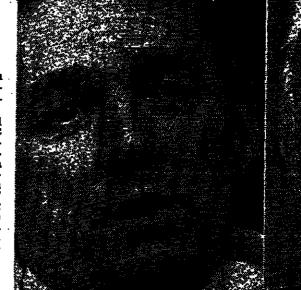
which would counterpaiance those made by left wingers. But that does not make the BBC "bolshevik" or "socialist" or "riddled with left wing activists". After 25 years of reporting on the BBC as a mass media correspondent, watching its programmes as a critic, and even working inside the place from time to time as a non-staff contributor, it seems to me that it is packed from top to bottom with typi-cally wishy-washy members of the intelligentsia whose per-sonal views hover around the middle ground of politics. The real trouble, I suspect, is that members of the Conservative Party recognise at heart that the BBC is not a left-wing organisation but a

esty.

This dates from the second world war when the BBC established a unique reputation for truthfulness and evenhandedness, a reputation which grew from such prac-tices as its insistence upon referring to "the British Army" and not to "our Army". During and not to "our Army". During last week's Conservative attack, Barbara Finney said that the BBC was being used as a vehicle for IRA propaganda and complained that it referred to "the British Army" not "our Army". According to one report this demand for chanymism in place of tradichauvinism in place of tradi-tional neutral journalism attracted the most prolonged applause of the debate.

That, surely, gives the game away. These Conservatives do not want neutral journalism, but a broadcasting organisation which behaves like "one of us". The reason there was such fury over the BBC at the conference is that recent news and current affairs programmes have shown the Tories to be running consistently behind Labour in the polls; shown crime figures (if not crime) ris-ing steeply under the present Government; illustrated the extraordinary hostility created by the poll tax, shown inflation to be at its highest for eight years; reported that many experts now believe the Con-servatives may lose the next

Those are all facts which would have to be reported by any self respecting news organisation, but to an anxious Con-servative who, in private, is obliged to acknowledge the high standing of the BBC, such a catalogue of damning items no doubt seems unforgiveable. On Monday last week worse was to come: Panorama screened an excellent report on the funding of the Conserva-tive party. It was a classic bit of journalistic investigation,



BBC supremos: Michael Checkland and 'Duke' Hussey

fitting neatly into the 19th century dictum of The Times that the first duty of the Press is

Sadly, and rather shame-fully, British newspapers no longer seem inclined to pursue bread and butter disclosure of that sort, limiting themselves instead to topical scandals, in a instead to topical scandals. In a democracy such as Britain's, with its system of party politics, it is surely essential for electors to be able to discover where party finances come from, and Panarama did its best to find out. In the process the programme established a clear statistical link between companies which contribute to Tory funds and the distribu-Tory funds and the distribution of honours. When producer Mark Killick

and presenter Gavin Hewitt ran out of public sources for their information they interviewed the party treasurer, Lord Beaverbrook, asking why the origins of so much of the party's finances were kept secret. "I don't know of any corporations which publish a list of their customers and we certainly would not publish a list of our customers" was the reply, which sounds like a

pretty effective blowing of the gaff. "customers" are generally regarded as people who are buying something.

Anyone who keeps a sharp eye on the output of British television must realise that

these virulent attacks upon the BBC are not made because the Corporation transmits more Corporation transmits more programmes than its competitus which can be interpreted by Conservatives as "partial". On the day after that Panoruma ITV broadcast in Viewpoint 90 John Pilgar's report on Cambodia which suggested that the Government had lied; chested and acted out of spite in backing American policy regarding Pol Pot. Two days later on TTV This Week showed. a tragic programme about the number and the effect of bank-

number and the effect of bankruptcles in Britain today.
Repeatedly the blame was laid
squarely on the Government.
Why, then, does ITV not
cause the same rage as the
BBC among Conservatives?
There may be several reasons.
As everybody knows, the Conservatives are already planning. servatives are already planning to break up the existing ITV network and auction the indi-vidual franchises to the high-

est hidders, so perhaps ITV is seen as having been dealt with. Then the BBC is much higger than any one ITV company, and thus more "dangerous". Moreover the ethos of the BBC tends to be seen by Thatcherites as Oxbridge supercitious. Above all there is that inverted compliment that the Conserva-Anove an interest that the Conserva-tives lostine to see their own tributations chronicled by an organisation which has such a high reputation historically and internationally.

For viewers the danger is that the Thatcherites will not merely rage against this hated phenomenon, but — as with the trade unions and local government - will seek to emasculate it and thus remove whatever influence it may have had within Britain's once subtle network of checks and palences. From conference floor campaigns to attacks on the licence fee, from Tebbitt-style bullying to the drafting of new tighter regulatory legislation, the writing is everywhere on the

Christopher Dunkley

# Dancing at Lughnasa

LYTTELTON THEATRE

Brian Friel's Dancing at Lughnosa has nearly all the virtues: wit, pathos, intelligence and imagination. It also has a touch of whimsy or Irish formers. The production by feyness. The production by Dublin's Abbey Theatre is at times a little slow, though per-haps that is unavoidable when you are dealing with rural life in Donegal in 1936. The play is beautifully written throughout, Gerard McSorley are in almost perfect prose.

Lughnasa, in case the name puzzles you, is pronounced slightly to rhyme with "hunacy". Lugh is the old eltic God of the harvest; Is Lugh-nasa on August 1 is his feast day. And that is probably as good a way as any of leading in to what the play is about. There were still paganish cus-toms in the Donegal of the 1930s (perhaps there are today), despite the catholicism.

Father Jack has been off in Uganda, looking after lepers and speaking largely Swahili, for 25 years. His christianity has gradually and perhaps subconsciously given way to a pagan religion. When he comes back, his references to Africa strike a chord with what hap-pens around the village of Bal-lybeg in Donegal: dancing, pagan rites, some animal sacrifices, the use of music and easy acceptance of birth outside

acceptance of birth outside marriage. Father Jack never says mass again.
All this is most delicately done. Nothing is rubbed in. There is even another piece of light symbolism. The frish family has recently acquired a wireless, a relative incury in those days. There is a suggestthose days. There is a sugges-tion that it should be given a would be sinful to christen an inanimate object, so it is called Marconi after its maker. The wireless, which is only turned on for the music, is said to have a voodoo effect, yet among these people that does not necessarily imply that it is harmful. Friel has been frequently

compared with Chekhov, Because Dancing involves five sisters, the comparisons will be made again, though the play that came most to my mind was Lorca's The House of Bernarda Alba without the oppressiveness. The sisters live together: only one of them has a child. This is Michael, who never appears. His lines are spoken by McSorley who is also Michael grown up and whose main function is to pro-vide the connecting narrative. The device works. In fact, everything works.



Catherine Byrne and Stephen Dillane

The father of the boy is a Welshman called Gerry Evans, played by Stephen Dillane, who appears from time to time, then goes off to the Spanish civil war. His chief talent is for dancing, and there is a good deal of it in the play. There are almost no quarrels, although there is some sadness and a repressed sexuality only barely beneath the surface. Some-times it breaks out, but the

merit of the play is how gently it is done.

Dancing had its first performance at the Abbey Theatre in April. It is directed by Patrick Mason. All the sisters are good acter. If one must be singled out, it is Anita Reeves as Maggie. Alec McCowen is Father Jack. and sufficiently varied in char-

Malcolm Rutherford

October 12-18

but equally there are no

# Elly Ameling

WIGHORE HALL

As though to deliver the final coup de grace to anybody in the political establishment who doubts that it is an international house, the Wigmore Hall has just unveiled the plans for its 90th anniversary next Jane. A star studded list of singers will be appearing, adding their names to an stready notable, and the plans to an already notable, and the plans to an already notable, and the plans to an already of the might like a more indicated. One might like a more indicated, one might like a more indicated, one might like a more indicated, one might like a more indicated. But how skilfully Ameling works, letting the first line of "Die Götter Griechenlands" fade away to suggest the long look back into

soprano is a familiar guest; her saniority among Lieder singers brings respect, her presence a warm welcome. Time has not left the voice untouched, as its tone sometimes sounds worn and when the singer puls her foot down for more power, the tank can seem dangerously empty. But the songs where the voice is under pressure are not necessarily any less rewarding as a visionary "Die junge Nonne" showed.

By and large this voice has

preserved the qualities that brought it to the fore in its earlier years and the same can be said of the art with which it is used. In style Ameling is, as ever, the balanced and sensible Lieder interpreter: there are few of the striking insights that have pierced through the work of venerable colleagues,

suggest the long look back into antiquity and cleverly giving herself enough time to flesh out the characters of "Der

Among a scattering of rarities in the programme "Minona" warrants a special mention, for the ballads of Schubert are not often performed and the singer did this one so well, bringing alive all the changing moods of the story with the help of her story with the help of her supportive accompanist, Rudolf Jansen. As a bonus, the last verse of the encore, "Ave Maria", came close to Schubertian heaven. Elly Ameling's other recital (a mixed programme) is on

. . .

.: Richard Fairman

### SALEROOM

# Glass with a history

A Jacobite glass, inscribed just after the 1745 Rebellion with a Jacobite version of the National Anthem and a toast to King James Will, sold for £26,400 yesterday at Christie's to a private buyer, John Smith of Putney. The price was comfortably above

The 17 cm high glass is known as the Breadalbane II Amen Glass and for many years it was believed that it had been given to the Earl of Breadalbane at the time of the 75 by the Young Pretender. It is now known that the Earls at that time were staunch Hanoverians, and it probably came into the family through the collecting passions of the Victorian 2nd Marquis of

The morning session of English and continental glass totalled 2310,431 with only 5 per cent unsold. A Hail-in-Tyrol Façon de Venise goblet, 26 cm high, almost doubled its estimate at £16,500 and a Japanese collector paid £15,400 for a Façon de Venise Latticinio goblet and cover, 27 cm high, which might have been produced in Venice, or the Low Countries, around

Sotheby's sale was also had a continental bias, but this time towards ceramics. A 110 piece Meissen dessert service of the late 1750s almost doubled its forecast at £46,200. It was probably

1600

presented to the Count of Schwerin by Frederick the Grreat, along with a dinner service, of 169 items, which also sold yesterday, to the Munich dealer Kohiman for £35,200 (top estimate

Another German dealer, Robbig bought a Nymphenburg plate of the early 1760s for £12,100 and a glit metal mounted Meissen tankard of 1735 for £11,000. But the top lot in a successful sale, a large descent applies of £76 pleces dessert service of 276 pieces, probably made around 1817 in Paris for the 3rd Duke of Northumberland who was British Ambassador to France at the time, was unsold.

It was offered by the current Duke, and was expected to make at least \$40,000, but the best bid was \$26,000, probably because no one wanted such a large service. Paris is not a much collected source of porcelain and no one knows where this service was made. It does not seem to be the work of Sèvres, which kept going during the Revolution and the altermath, but to come from one of the 170 smaller porcelain factories, which rew up in the Paris area in this period, but which did not keep records of their output. Now it might be divided up to make its dispersal easier.

**Antony Thorncroft** 

### **ARTS GUIDE**

THEATRE

London

Jeffrey Bernard is Unwell (Apollo). James Bolam is the alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodks. Ketth Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing, Ned Sherrin directs. (437 2663). rin directs. (437 2663). Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operatia derived from David Garnett's 1955 novella. Musically interesting and well directed by Trevor Nunn. A probable, but unspectacular, hit (839 5972).

Absurd Person Singular (White-ball), Revival of early Ayckbourn comedy, directed by the master himself, about three couples at Christmas in three kitchens over three years. Moira Redmond. Richard Kane and Lavinia Ber-tram on fine form in a produc-tion which confirms Ayekbourn's early bleakness (071 867 1119).
Extended until January
Into the Woods (Phoenix) Stephen Sondheim musical based
on the darker side of the Grimm fairy tales has moved over from New York to a receptive audi-ence (071 867 1044)

ence (1/1 357 1044)
Rean (Old Vic), Derek Jacobi
in fine form in Jean-Paul Sartre's
play about the flamboyant 19thcentury actor. Directed by Sam Mendes. (071 928 7616) Loveletters (Wyndham's). Stars Robert Wagner and Stephanie Robert Wagner and Stephanie Powers read out letters tracing a fifty-year love affair. Written by AR Gurney and directed by John Tillinger (071 876 116). Man of the Moment (Globe) Nigal

Planer and Gareth Hunt in another Alan Ayckbourn play, this time a satire set within the manipulative stmosphere of the media (437 3667).

Miss Saigon (Drury Lane). The musical by Alain Boubil and Claude-Michel Schonberg continues to pack them in even though Jonathan Price has now left the

Jonetham Price has now left the cast, Good songs and a lavish show. Directed by Nicholas Hytner (671 836 8108). Moscow Gold (Barbican). Tariq Ali and Howard Brenton team up again after the success of their short play, Arabian Nights, in defence of Salman Rushdie. Moscow Gold is a satirical look at Soviet history and the Gorbachev years in particular. It is at Soviet history and the Gorna-chev years in particular. It is the last play the Royal Shake-speare Company is putting on at the Barbican for several months because of financial diffi-culties, in rep; check press for nights (971 688 8891) Private Lives (Aldwych) Noel Coward revival starring Joan Collins and Keith Barber about a divorced combe staying by a divorced couple staying by chance at the same Riviera hotel

with their new partners (071 Singer (Barbican). Anthony Sher in Peter Flannery's modern Jaco-bean tragedy that reflects a darkly comic view of Britain since the Second World War. In rep; check press for perfor-mances (638 8891).

New York

Falsettoland (Lucille Lortel). It will be known as the musical about Aids first hitting New York but it goes much further than that, showing the affect on a larger circle of people, who include a boy having a Bar Mitz-

vah and his parents, all three of them (924 8782). Gypsy (St. James). This 30th anni-versary production does more than revive a rich, vivid musical; than revive a rich, vivid missics; it also introduces a new belter in the Merman tradition, Tyne Daly, as the bossy, tireless and tuneful Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (246 0102).

Cats (Winter Garden), Still a selfcats (winter Gatuen), Still a seg-out, Trever Nunn's production of T.S. Riiot's children's poetry set to music is visually startling and choreographically feline (239 Les Misérables (Broadway). The

magnificent spectacle of Victor Hugo's majestic sweep of history: and pathos brings to Broadway lessons in pageantry and drama cyae soon lessons in page (Majestic). (239 6200). Plantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's hamfing melodies in this transfer from London (239 6200).

Washington Playboy of the Western World (Eisenhower). Abbey Theatre company brings what the Americans want to see to con-firm of the view of the Irish as unscrupulous charmers. Ends

Chicago

The Iceman Cometh (Goodman). The Goodman opens its new season with a revival of vintage O'Neill starring film actor Brian Dennehy. Ends Nov 4 (443 3800).

### Tokyo Kabuki, Kabuki-22 (541 3131)

this month features two actors who have attracted new audi-ences to kabuki. The star of the ences to kabuki. The star of the 11am show, Ennosuke, specialises in quick-change routines and speciacular stage effects. At 4.30cm the gifted omnogata (specialist in female roles), Tamesaburo, start in a love story about a priest and a geisha.

Meanwhile, at the National Thea-Meanwhile, at the National Thea-tre (265 7411), the rarely-per-formed Kogameyama Sci Inapteli is being given (performance times vary). Both theatres have excellent earphone guide in English and English-language

programme.

Noh. A double bill of the noh play Yamamba (The Old Woman of the Hills) and a kyogen comic interinde. Wednesday only at 10.30am. National Noh Theatre 10.30am. National Noh Theatre (0467 22 5557). Other noh theatres are open only at weekends. Check local press for details. The English Shakespeare Company, paying a return visit to the theatre they opened two years ago, this time as part of the UK 90 Pestival. Michael Pennington leads the cast in Coriolanus and The Winter's Tale (in repertory). Tokyo Globe Theatre (360 1151). Phantom of the Opera (in Japanese). This highly successful production is a carbon cay of the London original, with the added advantage that one can

added advantage that one can ignore the banal lyrics, since they are in Japanese! Shimbas Ebujoh Thestre (797 9601). Fiddler on the Roof (in English). Topol once again takes the lead role in the musical that made him famous 20 years ago. Kan'i Hoken Hall, Gotanda (477 7825).

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### **FINANCIAL TIMES**

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Wednesday October 17 1990

# A warning on credit

MR Alexandre Lamfalussy, the general manager of the Bank for International Settlements (BIS), the central bankers' cen-tral bank, can safely be relied on to weigh his words when discussing the stability of the discussing the stability of the international financial system. His remarks on Monday about the risk of an international credit crunch will therefore have attracted widespread attention — not least because central bankers are more usually prone to warn about the inflationary implications of credit creation than the risk of

credit contraction.
The ritual warnings about the need to confront inflationary pressures were, of course, all there. But Mr Lamfalussy has given expression to a fear that has worried economists and private bankers for most of the year. The problem is to assess the scale and nature of the risk, and the appropriate

At first glance the credit problems of the developed world appear highly diverse. At one end of the spectrum the risk of credit contraction in Germany, where the actual and potential demands on the banking system arising from unification are considerable, is ninimal. At the other extren the US where recession appears imminent, poses an immediate concern.

### Slowdown

While credit growth has not actually turned negative over the past year, there has been a marked slowdown in response not only to the real estate problems of the savings and loan institutions and the banking system more generally, but to a dearth of good private sector borrowers. After an exceptionally long recovery and the completion of a substantial one-off adjustment on the lia-bility side of the personal sector's balance sheet as a result of financial deregulation, a slowdown was inescapable. What is new, in recent weeks, is the extent of the deterioration in confidence among bankers and business

In Japan, meantime, there is not, as yet, a perceptible shortage of sound borrowers, but the capital of the banking sys-tem has been sharply eroded by the collapse of asset prices. Since the banks are finding it harder to raise capital in the market there has inevitably been a tendency to shrink the size of loan portfolios. That problem has been further exacerbated by the BIS's capital adequacy rules. As for Britain, after entry into the exchange rate mechanism, the risk for policy lies more on the side of a credit boomlet in housing as interest rates come down.

### Global stresses

Some of the stresses in the system are genuinely global: inflationary pressure from the oil market and a potential capital shortage that is already inflicting high real rates of interest are two obvious cas in point. Another is what Mr Lamfalussy delicately refers to as the "puzzle" surrounding the lack of commercial judgment shown in banks' borrowing and lending decisions and the "apparent propensity of the banking system to make repeated mistakes on a rather grand scale". The problems that banks across the world are experiencing with over-in-debted customers in real estate will clearly become more wor-rying if recession further impairs the ability of debtors to service their debts.

The difficulty with the prob-lems which remain local is that

globalisation has turned the banking system into an uncomfortably efficient engine for transmitting trouble across national boundaries. This is particularly true of the Japanese banks, whose interna-tional claims nearly quadru-pled to \$1.75bn in the five years to 1988. Any contraction in Japanese international banking assets, which now account for 38 per cent of the total, is potentially threatening.

Yet the burden of policy adjustment should not lie exclusively with monetary weapons. Monetary relaxation in the US is unlikely to achieve much against a background of deteriorating confidence. The more obvious need is for microeconomic reforms to reduce the vulnerability of the banking system. Elsewhere credit contraction remains a risk, rather than a reality. And lender of last resort facilities for failing banks should, as ever, be made available only where a sys-temic shock is a real possibil-

# Flat beer from MMC

IF IN doubt, delay. For doubt and confusion have certainly been the order of the day at the Department of Trade and Industry in recent weeks. Its problem has been what to do about the latest attempt, by the Monopolies and Mergers Commission, to respond to developments in the UK brewing industry. But companies cannot be expected to wait for ever while the government tries to work out the rationale behind its competition policy.

The release of the report concerning the latest development
- a complex deal between Elders IXL and Grand Metropolitan – follows several weeks of consideration. The reason for the delay is that the deal, itself a response to the restructuring required by the government after last year's investigation into the brewing industry, moves the industry still further from the ideal model favoured by the MMC. This is unimportant. The aim of competition policy is to promote competition not impose a specific market structure.

Elders IXL, which owns Courage, proposes to take over GrandMet's brewing interests. Elders and GrandMet also wish to establish a separate com-pany to control Elders' public houses as well as the majority of those belonging to Grand-Met. The company, to be 50 per

met. The company, to be 30 per cent owned by each parent company, would buy Courage beer for the next 10 years.

The MMC report recommends minor changes in the proposed deal. Among other appropriately. suggestions, the guaranteed sale agreement should last only five years and Elders should cut its share of the UK's brewing market, from about 20 per cent to 15 per cent.

More consumer choice Last year's MMC report into the brewing industry argued that the ownership of 87 per cent of public houses by the six largest UK brewers was detrimental to competition. The combination of vertical links between producers and retailers, and the concentration of brewing in a small number of hands, was alleged to lead to high prices and restricted proposed that the large brew-ers should divest themselves of many of their tied houses and

recommended other measures to increase consumer choice.
The MMC's zeal was debatable. The extent of concentra-tion in British brewing is low by international standards, the choice of beers wide, and the effect of vertical agreements on competition ambiguous.

### Contradictory objectives

At least the MMC's goal was correct. Rooting out anti-com-petitive practices is the proper role of competition policy. But the MMC also wished to pro-mote (or preserve) an ideal model of the beer industry – local, decentralised and region-ally differentiated. Its recommendations were designed to move the structure of the industry in that direction.

These two objectives have turned out to be contradictory.
The "local" pub existed because tied houses were profitable for national as well as local brewers. Once the link is broken, brewers are forced to compete in the national, and increasingly international market for branded beers. Tied pubs, now allowed to take a guest beer, often prefer nationally advertised brands to local brews. Regional breweries, forced to choose between pubs and brewing, frequently choose

the former.

If the MMC was right in its belief that vertical links were the problem, the replacement of medium-sized brewing and retailing outfits by large, and relatively independent breweries and retail companies is a welcome development. Compa-nies and individual tenants are reacting correctly to the new regulatory environment in a way which maximises their

way which maximises their competitive advantage.

The five-year limit on the guaranteed purchase of Courage beer and the limit of 25 per cent on pub ownership in any one local licensing district are both sensible and consistent with the new competitive envi-ronment the MMC has intro-duced. But the distinction between a 20 per cent share of UK brewing and the 15 per cent demanded by the MMC is nonsensical, not least when Bass already has more than 20 per cent. That the development towards large brewing and retailing concerns does not fit some ideal model of the industry should be of no concern.

he British political summe to stretch the season a bit
 opened with Mr Nicholas
 Ridley being obliged to
sign as trade and industry secretary resign as trade and industry secretary for expressing his fears about German hegemony in the European Community. It ended with Britain joining the exchange rate mechanism of the European Monetary System, while ministers from Mrs Margaret Thatcher downwards protested that there was no inexorable movement towards full British participation in economic and monetary union. The

towards full fittinsh participation in economic and monetary union. The word "sovereignty" has never been far from political lips.

The arguments are not new. If one goes back to the mid-1950s and the British refusal to play a full role in the Messina Conference, which led to the Messina Conference, which led to the Treaty of Rome, there have been two continuing developments. One is the reluctance of British governments of either party to accept that Euro-pean integration is something to be sought after rather than sniffed at. The other is that the process of inte-gration has tended to go ahead regardless. Britain has been left try-ing to slow it down or trying to eatch ing to slow it down or trying to catch

up.
The question of sovereignty has riven British politics for more than 30 years. First it was the Labour party that was the more obviously divided. Mr Hugh Gaitskell, seemingly so modern on so many subjects, said of possible British membership in 1962: "It means the end of a thousand years of history, it means the end of the Comhistory; it means the end of the Commonwealth...to become just a prov-

ince of Europe."

At that time, Britain was making its first application under Harold Macmillan and was vetoed by General de Gaulle. By the mid-1960s, when Mr Harold Wilson was prime minister, it was a Labour government that decided that Britain's future lay in Europe after all There followed what amounted to the second French veto. For years after, splits on Europe did as much as any other single factor to

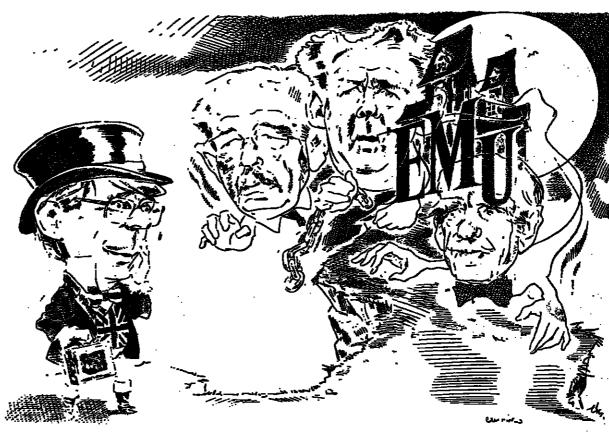
as much as any other single factor to keep the Lebour party divided. They were a prime cause of the breakaway from the party, and the formation of the Social Democrats by Lord Jen-kins, Dr David Owen, Mrs Shirley Wil-hams and Mr William Rodgers. Arguably, the divisions on Europe helped to keep Labour out of office for more than a decade; at the very least, they served to show what a disunited party Labour was.

Yet the Conservatives have not always done much better. The Tories were never wholly the party of Europe: they just seemed more so than Labour. A significant number of Tories was opposed to British entry in the first place. The party lost Mr Enoch Powell on the way to Bruss and the legislation required for accession in the parliamentary session of 1971-72 went through only with the help of some pro-Europe Labour MPs. Conversely, when the Labour govern-ment held a referendum on continued membership in 1975, it was dependent on all-party support to secure a yes

Thus British membership has never been quite a Tory/Labour or left/right issue. Very broadly, the centre is for it; the extremes are against. It is a long time since the central debate has been about membership itself, but the debate on sovereignty contains many of the old elements. That is what is meant by inexora-

bility. Britain starts by opposing, or It is worth going back to before the Rome Treaty to show how little has changed in that respect. In June 1950 when the Schuman plan for the Euro-pean Coal and Steel Community was unveiled, Jean Monnet, one of the founding fathers of the European Community was asked by Sir Stafford Cripps, the chancellor of the exchequer, whether France would go ahead with Germany and without Britain Monnet replied: "My dear friend, you know how I have felt about Britain Malcolm Rutherford considers whether Britain's long resistance to European integration was worth the effort

# Never quite able to catch the bus



for 30 years...I hope with all my heart that you will join from the start. But if you don't, then we will go ad without you; and because you are realists you'll adjust to the facts when you see that we've succeeded." Britain turned down the invitation, but the Coal and Steel Community took off. The same thing happened when it came to preparations for a common market. Britain was asked to be a full participant in the Messina ference of 1955 on any terms and without preconditions. The government responded by sending an



observer, Mr Russell Bretherton. an under-secretary at the board of trade. When Mr Bretherton reported that something important seemed to be going on, no one in London took any notice. Britain dropped out of the subsequent discussions altogether and the final decision to go ahead with the Treaty of Rome was taken by the orig-inal six members in Venice in the

The story has no British heroes, not even the Foreign Office. British diplo-mats repeatedly advised that France would never sign a treaty with Germany without British participation.
They were wrong. Some of the most prominent British cabinet ministers expressed sympathy for the European idea in principle, but always backed off when it came to putting it into

It was Anthony Eden as prime minister who vetoed full British participation at Messina. Rab Butler, the chancellor of the exchequer, gave the brush off to Johan Beyen, the Dutch foreign minister who came to London to tell him what was on offer. "I got very bored with him," Butler said afterwards, "and so did everybody else...He was a very pushing man. And he was always telling you what to do. I was sort of rather looking to the bigger nations." Harold Macmillan, then foreign sec-

retary and the man who subsequently—and there was no obvious accepted the inexorable logic of Britain and Europe, showed no inter- reason to get on to the est at that time. He turned down the new horse eign ministers to review progress on what was to become the European Community in the Netherlands in September 1955.

Apart from history, there was one possible excuse for British indifference. In the mid-1950s the national economy was going through a hal-cyon period: problems on the horizon perhaps, but considerable economic growth. There was no obvious reason, in Butler's words, "to get on to the new horse". Hardly anyone criticised him then, though Butler admitted his error before he died. To come closer to the present it is ossible that the economic growth that Britain experienced in much of the 1990s again acted as a deterrent to closer European integration. Mrs Thatcher challenged the Community on the common agricultural policy, the size of the British budgetary contribution and the handling of Commu

nity spending in general. On all those ers she had some succe Meanwhile, the British economic recovery seemed to imply that

There was one possible excuse for British indifference. In the mid-1950s the economy was in a halcvon period and there was no obvious

national independence could be re-asserted. A country that was no longer can-in-hand to the IMF and had rolled back the frontiers of the state at home was not disposed to accept a new dominance from Brussels - to para-phrase the prime minister's Bruges

Group outside parliament to uphold-British sovereignty. There is now a Bruges Group in parliament as well and almost certainly a large Bruges majority in cabinet.

factors. One is that high British growth does not last indefinitely: it tends to end in tears. Another is that while growth in the continental countries were also down from these white grown in the continents contries may slow down from time to time, it picks up again from a much higher base than the British. A third is that the demand for closer European integration on the continent continues. Ultimately British goes along.

The report of the Delors Committee on economic and monetary union is a perfect illustration. It was commissioned by the European Council meet-ing in Hanover in June 1988, just at the time when Mrs Thatcher seemed the time when Mrs Thatcher seemed in he scoring high marks for controlling Community spending. The prime minister had no choice but to go along with it. Neither had Mr Robin Leigh-Pemberton, the governor of the Bank of England, who with the other European central hank governors became a member of the committee. Whatever the governor's private thoughts on British sovereignty may be, there was no way in which he could at on the committee in splendid isolation. If he had set himself apart, how could he have faced his fellow governors at the monthly meetings of the Bank for International Settle-

Mr Leigh-Pemberton has said that the Delors report was about "how" rather than "whether or when ecoraines than whether or what est-nomic and monetary union might be achieved. Yet, as the former chancal-lor, Mr Nigel Lawson, has acknowl-edged, the report is a political docu-ment which says that economic and monetary union is a desirable aim. It would be unwise to think that conti-

nental Europe will lightly abandon it. This month Britain finally joined the exchange rate mechanism of the existing European Monetary System, which is part of the first stage of a three-part movement to a full Euro-pean monetary union. There is no reason to believe, however, that the gov-ernment did this out of a sudden conversion to European integration.

One reason was domestic outside

ERM it would be harder to bring

down British interest rates without risking a precipitate fall in sterling. Another is tactical: non-membership of the ERM would have made it ever more difficult for Britain to play a full role in the intergovernmental conferences on Emu and political union which are due to start in December. Such conferences are part of the inex-orable processes of the Community. Mr John Major, the chancellor of the exchequer, told the Tory party conference last week that member-ship of the ERM would not "inexorably lead to a European single cur-rency, and not even his predecessor believed in Emu. Mr. Douglas Hurd, the foreign secretary, is not a Euro-pean federalist either, not to speak of the prime minister. At the top level, there is only Sir Geoffrey Howe, whose influence in the cabinet has been declining since he was removed from the Foreign Office last year.

Sir Geoffrey spoke last week of missing the European train. Whether it is trains, boats or buses, the meta-phor lingers on. On Europe Britain always misses them and is obliged to catch up. The difference over the vears is not only that Britain is a ser power than it used to be, and might have been had it joined the Community at the start. Although the conversion may prove to be skin-deep, Labour has become the European party. It is the Tories who are more divided. If they were to lose the next general election, they might even speech in September 1988.

In domestic political terms, that was one of the most important speeches Mrs Thatcher has made. It led to the formation of a Bruges

spectal electron, they might even split. And whoever wins, it seems likely that membership of the ERM, like membership of the Community itself, is here to stay. Was the resistance worth the effort?

4.4

### A car for all reasons

■ You can't keep a good design down. The ubiquitous Mimi car was so much the image of the Britain in the 1960s that many middle-aged people today cannot see one without shedding a silent tear for their vanished youth.

Now the image of the zippy Mini outpacing larger rivals on the racetrack, and beating all rivals into city centre tight parking spots, has been revived in spectacular fashion in the Japanese marketplace. While American auto maker have struggled to sell their oversized limousines to the

Japanese the Mini is finding there what every product wants in life — a comfortable market niche. Fuelled by its success with the Mini in Japan, Rover has decided to sell not only the reborn sporting derivative, the Mini Cooper, in that receptive marketplace, but also

the world's first turbo-charged Mini. Its full name is "the Rover Mini ERA Turbo" — which is enough to give it a cachet before it even leaves the garage, I would say.

The turbo-charged Mini for Japan is definitely a car to be seen in. It comes in just two colours — either flame red or Pattish metra green. With for

British racing green. With fog lamps, Connolly leather seats and dashboard, and a blacked-out grille, it is a stylish little beast and it does not come cheap at Y3.59m

not come cheap at 13.5cm (£14,360).
Peter Woods, president of Rover Japan, says that the turbo Mini will extend the appeal of the car at the top end of a lucrative market, and will provide value-added for the car's trace according the car's image generally. More than 10,000 Minis have been sold in Japan so far this

Buyers tend to fall into two distinct groups. There are young things in their 20s who have a healthy disposable income and an inclination to

# **OBSERVER**

buy something a little bit

And there is the fashionable set — dress designers and the like — which has taken to the Mini as "a funky" car" and adopted it as a style symbol. Rover is not building the clever new Mini itself. The car has been developed by the Jack Knight Group, which specialises in such components as virtually indestructible racing car gearboxes, and is being put together by ERA.

### Moscow market

 A Russian Orthodox priest, sprinkling holy water, blessed a new Moscow commodity exchange yesterday in a cere-mony at the Moscow headquar-ters of the economic bloc Com-

The ritual revived an ancient Russian tradition that new enterprises receive a church blessing prior to opening.

The new Moscow exchange follows the opening last month of Russia's first functioning commodity exchange. Organis-

ers say this second exchange will be bigger and different because it is not controlled by the government. The new Moscow Commodity, Raw Material and Stock Exchange, as it is called, is a joint stock company. Resem-bling an auction or a clearing house for physical goods, it is a far cry from the sophisti-cated commodity markets of the west. It is seen as repre-senting a return to the mercan tile traditions of Russia's pre-

tile traditions of Russia's pre-revolutionary past.
Ironically, the Comecon hall, with a makeshift altar at cen-tre stage yesterday adorned with candles, was once the scene of talks between eastern European communist leaders defending their faith in central

planning. Russia's first commodity exchange opened in Leningrad in 1703. By the beginning of



the First World War there were 115 commodity and stock exchanges operating.

The new Moscow commodity exchange will probably conduct its business in a museum located between the KGB security police headquarters and the offices of the Central Committee of the Soviet Communist Party. Exchange sponsor Konstan

tin Borovoi says any commod-ity can be traded, from cement to washing machines, grain, computers and industrial machinery. "Stock exchanges are practically absent from our country. People are living without an exchange. They cannot live without it, but they still do", he says.

### Stamina

■ Billionaire Kerry Packer, aged 52, Australia's richest man is not allowing a serious heart attack to curb his ebul-

lient style.
Within bours of being released from hospital on Mon-day, just 8 days after collaps-ing during a polo game, he has taken legal action "to protect his reputation". He is suing

the government-owned Australian Broadcasting Corporation (ABC) for defamation over a programme on corporate crime shown in Australia last week.
Packer has begun civil libel
proceedings against ABC, managing director David Hill and
all members of the current affairs programme's production team. "In view of the seri-ous and damaging content of the broadcast, Mr Packer has

also instructed me to pursue criminal libel proceedings against all those involved," says his solicitor, Mark O'Brien. Packer was involved in a fraces with journalists on Sat-urday when he was let out

from hospital for the day to watch his son Jamie play polo at Warwick Farm, the scene of his collapse.

Doctors have been amazed at the tycoon's powers of

recovery. He began conducting business from hospital only four days after his attack.

### House style

One technological aid now used by some US newspapers is an editorial computer pro-gramme that searches texts for sensitive words which could cause offence. It replaces them with an innocuous syn-

onym. However,the snags of such a system are shown by the fol-lowing correction: "An item in the Nation Digest about the Massachusetts budget crisis made reference to new taxes that will help put the state, back in the African-American' "The item should have ended: 'back in the black'."

### Mostly men

Housewives slaving over over a hot stove may wonder with reason whether electricity is still a man's world. There are 120 directors run-

ming the area electricity boards which are about to be floated. But only five are women. And they are all to be found among the 51 non-executive directors.



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flar months of debate. A eastern Europe is finally subarking on the path to privatisation. But each step is a step in the dark as these enauging democracles struggle to create the institu-tions to overses and implement.

their programmes.

Privatisation is viewed as a necessity. It will provide capi-tal to rebuild eastern Europe's industrial hase. It will also make enterprises more competitive. Above all, it will rid the system of the last remnants of the communist apparatus. Beyond these common features, each country has adopted a different approach to privatisation, reflecting domes-tic traditions and political pres-

• In Poland, the government has split the privatisation programme into several categories. Over the next 15 months about 40 enterprises will be offered for sale, the conditions of which have yet to be clarified. the companies include the giant "flagships", such as the Krosno glass works which employs 6,500. At the same time, the state will issue free youchers to the providelon as a wouchers to the population as a means of disposing of up to 30 per cent of the value of a further 106 enterprises. The vouchers will be turned into shares at a later date. In the scheme's early stages, the state will retain a 40 per cent hold-ing in each business. Shares will also be sold at a discount to employees or to domestic institutional investors. For-eigners will be allowed to buy up to 10 per cent of a compa-

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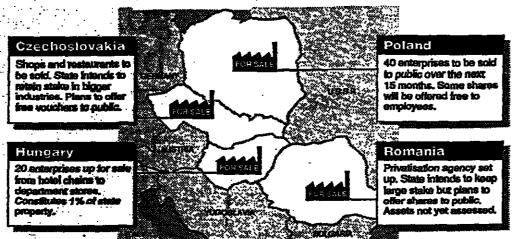
other enterprises will be commercialised. The idea is that the state will call in banks, investment and insurance funds to manage them and to assess the value of their assets. Meanwhile, smaller enterprises, particularly in the service sector, have been privatising themselves at a rapid pace. The availability of goods THE REAL PROPERTY. variants themselves at a rapar pace. The availability of goods in Warsaw shops, which range from once-rare bananas to Jap-anese computers, testify to 122 Poles' eagerness to enter the fray of the free market. • In Hungary, the privatisa-tion debate has been more politically charged. After months of deliberation, the

> heads a right-wing coalition government, has finally put together a package. The State Property Agency, which will be entrusted with holding the title to state property, will oversee the priva tion programme. A cree of 20 state-owned enterprises, ranging from the Dannbius hotel chain to the Centrum department stores, has already been selected for sale, though the

Democratic Forum, which

Privatisation is finally under way in eastern Europe, says Judy Dempsey, but problems remain

# Rocky road leads to the market



businesses constitute only 1 per cent of state property. They will be sold through the public offering of shares on the fledgeling stock exchange, through competitive bidding or through an employee share ownership scheme.

• In Czechoslovakia, despite

all the official rhetoric about commitment to a market econ-omy and western optimism that the country would have few difficulties in making the transition, progress has been slow. This is because the gov-ernment is divided between Mr Vaclay Klaus, the finance minister, who appears to favour quick privatisation whatever confusion this may entail, and President Vaclay Havel who is acutely aware of the social ~ and consequent political --costs of privatisation. The last thing Mr Havel wants is souring unemployment, particu-larly since he must face the elactorate in two years. Pushed by public pressure, a draft pri-vatisation bill was last month presented to parliament. Czechoslovakia's programme

is divided into three parts. In the first, restaurants, shops and services will be sold to the private sector. Individuals whose property was confis-cated after the communist takeover in 1948 will have the right to claim back their prop-erty within a limited period. The terms of compensation still have to be worked out. Meanwhile present owners will be given the right to buy the property. What remains will be sold by auction to the public. The second phase will involve large-scale enterprises such as Skoda cars. The state remains determined to retain at least a 20-30 per cent stake in these enterprises because they are regarded as prime national assets. Restrictions on foreign ownership have yet to be clarified. The third phase envisages

hiving off a group of state-run enterprises and transforming them into joint-stock comp nies. To sweeten the pill, Mr Klaus intends to give away vouchers to Czech citizens which will eventually be exchanged for shares. The vouchers will he a vehicle for the transformation of property rights," he told economic the International Monetary Fund meeting in Washington last month. • In Romania, the govern-

ment is near to drawing up a comprehensive plan for privatisation. A new draft foreign investment law will allow foreign companies to own 100 per eign companies to own 100 per cent of an enterprise. The country's priorities, however, are to maintain stability, dilute the influence of the burean-cracy, feed the population and draw up legislation aimed at defining the role of the state and property rights. These various privatisation transformers have so far drawn

programmes have so far drawn a tukewarm response from for-eign investors. Austrian bankers, who have been involved in

above its open market value. There were a number of vari-

costs, all costs bringing the

decision including:

Once the development prop-

erty is fully let and income-

At the earlier of when

eastern Europe for decades, object to Poland's restrictions on converting dividends into hard currency, and its limita-tions on the stake which for-eigner investors can hold in privatised enterprises. "Privatisation cannot be carried out overnight," says Mr Anton Burghardt, head of the international department at Girozentrale, Austria's second-largest

Different attitudes to privatisation throughout eastern Europe stem from several fac-tors. First, there is the fear of job losses. The economic reforms and privatisation pack-age drawn up by Mr Leszek Balcerowicz, Poland's finance and deputy prime minister, have left thousands without a job. Statistics published by the Polish authorities indicate that more than 16 per cent of the population could be unemployed by the end of the year as reforms bite, state subsidies dry up and enterprises seek to

boost productivity. Second, in Hungary, Czecho-slovakia and Romania, politicians and the public are am uous about opening their doors to foreign capital. "People fear that the country will be sold off to foreign capitalists," com-mented Mr Adrian Severin, the Romanian minister in charge of privatisation.

As western advisers are discovering, the reluctance to privatise rapidly and to welcome foreign capital are influenced by traditions inherent in the

political cultures of the region. These traditions owe much to the preponderance of large the preponderance of large peasant populations, small middle classes, and the domination of the state. People tend to perceive privatisation as creating vast disparities in wealth and privileges. "Since we allowed people to open up private shops and services a few months ago, these new owners are charging very high prices for low-quality goods. Sections of the population are Sections of the population are naturally resentful and only see the bad side of privatisa-

tion," commented Mr Severin.
Against this background, the
new governments have set themselves the task of painstakingly drawing up laws on privatisation aimed at reconciling deep-seated public concern with the necessity of attracting foreign investment. Mr Petre Roman, the Romanian prime minister, explains: "The gov-erument has literally to start from scratch by drawing up new laws, by evaluating as by learning on the job. We have no knowledge of how to turn a socialist economy into a et economy."

Problem areas which need addressing include: Property rights, Before last year's revolutions most property was held by the state, though the state did not define itself as the "owner". Before privatisation can take place the state must set up institutions to which control of the tions to which control of property can be passed before it can be sold.

 Building an infrastructure.
 This entails constructing a banking system, a stable currency, enacting legislation which will enable the free flow of capital in and out of the country, and creating a taxation system.

 Winning over the popula tion to privatisation and the market economy. Although these governments promised during election campaigns that the communist centralised economic system would be dismantled in favour of the mar ket economy, they did not explain the social costs of this transition.

Western advisers to the Polish, Hungarian and Czechoslo vak governments believe the population can be convinced of privatisation's benefits through safety valves such as social security systems for the unemployed, retraining schemes, and management schools. This is where western governments could play a sig-nificant role. "If western finan-cial assistance is not forthcoming these governments could face popular unrest which could set back the road to the market economy," commented an adviser to President Havel.

Sixth-form education at the crossroads

# Why reform holds no lessons for the able

By Robin Reeve

I f the British government wishes to maintain the highest academic and intellectual standards in secondary schools, the system of A level examinations must not be abandoned or diluted. This is an issue deserving the widest debate; any proposals for changing A levels must be sub-jected to rigorous questioning. The timetable laid down by the government is this. By the end of this month the School

Examinations and Assessment Council will have completed a consultation on its proposed draft principles to reshape the A and AS level examinations. Early in 1991 the principles, approved by the secretary of state, will be committed to the examination boards which will work to produce syllabuses for the first candidates due to sit the examinations in 1994. If the history of A level itself is any guide, we shall then have a 16-plus regime likely to last well into the next century. There is little sign that SRAC intends more debate than can be wrung from it. The consultation period has lasted

a few weeks. In characteristic

fashion responses are invited from "representative" bodies through which individuals are directed to submit their views. This procedure can only serve to subdue independent voices. SEAC is not, of course, entirely its own master. The government is acutely aware of the dwindling number of 16-19 year olds, and wishes to complete another educational reform in the wake of its national curriculum for the 5-16s. The General Certificate of Secondary Education (GCSE) is another factor. It is an exam with a wider clientele than O level. Content has been reduced: assessed coursework. practicals and projects carry a

significant proportion of marks. A level has already begun to move in the same direction and will be expected to move further. There is another dimension. Enlightened opinion in education is hostile to A level. That opinion is well represented in SEAC itself and the consultation process is likely to consist of a communion of like minds. The irony is that the govern-

ment, knowing that in many

We put your ideas into perspective.

eyes A level is an exam of proven quality, rejected the 1988 proposals of Professor Higginson's Committee on "Advancing A levels" to replace it by a new single-level exam in five or six subjects.

Higginson could see few virtues in the specialist tradition of A level and even fewer in the government's scheme to add variety to the sixth-form curriculum by introducing AS levels, based on a 50 per cent formula, half the content and half the teaching time of an A level. Amid a chorus of disapproval, Mr Kenneth Baker, then education secretary, shelved Higginson. It was an unexpected act of grace to those of us with a particular interest in the education of the

However, a new set of considerations has been intro-duced into SEAC's brief. Mr Baker's call for national competence has been entrusted to the National Curriculum Council, set up under the Education Reform Act of 1988 to implement a new national curriculum. In hammering out a set of core and foundation subjects, it has sought to identify essential skills as well as so-called crosscurricular themes. Competence is no longer to consist of the mastery of disparate subjects; it is the role of subjects to contribute to skills and themes. Mr John MacGregor, the education secretary, is enthusiastic about this approach and apparently believes it has a key role to play in a 16-19 curriculum.

The main fear about SEAC's present thinking is that it will subvert the government's intention to retain A level as the standard which should prevall in the education of those 16-19 year olds destined for higher education. SEAC seems to share the fashionable dis-tasts for knowledge familiar in countless sneering dismissals of "rote learning". Instead we are to have an

appropriate balance between knowledge, understanding (how do you understand what you do not know?) and, of course, skills. The notion of subject "cores" is also warmly embraced, and it is difficult not to relate the hunt for cores with the expressed desire to see AS level courses as

embodying "the advanced level standard". A level itself becomes merely the scene of "additional contexts in which students can further develop and illustrate their grasp of the subject". I hope Mr MacGregor is alert to the presence of this particular Trojan horse.

Core skills raise different issues but equally deep anxieties. The first definition of these skills came from the curriculum council but, astonishingly, SEAC now publishes its proposals without any further analysis of skills. Three of the six curriculum council skills consist of extending competence in numeracy, informa-tion technology, and a foreign language. These are sound objectives but they cannot be pursued, in equal measure, via all A and AS level courses. If subjects have to be chosen to achieve a spread of skills, the

objections are profound. The other, generalised, skills, ie communication and personal skills, and problemsolving, which must be embedded in every course, range from the platitudinous ("managing one's own learning") to the wholly inappropriate. Problem-solving, for example, consists of "planning, carrying out and evaluating a course of action". This scarcely bears analysis as a description of academic study, though it cer-tainly expresses the contemporary confusion between educa-tion and training. A national curriculum council must set itself higher standards. In addition to core skills A

and AS levels will have to carry an agenda of "cross-cur-ricular themes". Syllabuses must clear themselves from "bias" as though their aca-demic purpose did not ensure this. Not surprisingly, in these post-GCSE days, 40 per cent of the final assessment will be based on coursework.

We must not allow the edu-cation of the able to be reshaped in the way SEAC now proposes. We must recognise their needs without being crippled by predictable cries of "elitism". If we fail we shall impoverish ourselves as a nation, in both senses of that over-used word.

The author is headmaster of King's College School, Wimble-

# LETTERS

### Iraq, Kuwait and the value of UN resolutions

From the Rt Rev John Brown.
Sir, it is very noticeable here
in the Middle East that the
government of Iraq is attempting to turn an extremely bad tactical move (the invasion of tactical move (the invasion of Knwait) into an appeal for the international community to apply its collective mind to the overall problems of the region. In the west it is no doubt easy to see this as a ploy to divert attention from the hasic problems of the invasion of problem of the invasion of Kuwait, but in the eastern Mediterranean the argument appears to be well-founded.

With a high moral tone, and political arguments that can-not be faulted, the international community is insisting upon obedience to United Nations resolutions regarding the invasion of Kuwait. No on I have spoken to would disagree with this. But what about the invasion of Pales-tine? And what about the inva-sion of Cyprus? — say the local people involved. The Iraqis do

# seem to have a point, as under-stood in simple layman's.

There are UN resolutions on Palestine and Cyprus over-which the superpowers have made no great fuss. The British sovereign bases in Cyprus, as everyone knows, are vital in the present situation. Why is the international community still not expending the amount of money and energy on embr-cing UN resolutions on Pales-tine and Cyprus that it is spending on the Gulf crisis? Can it all be down to what is economically important to the

John, Cyprus and the Gulf, Diocesan Office, 2 Grigori Afrentiou, Nicosio, Cyprus

### Distinct nature of British beer

From Mr Roger Moate MP.
Sir, Mr Murray Steele of the
Cranfield Institute of Technology (Letters, September 29)
says he has "completed a study
of the European beer industry
and alleges "flaws" in my analysis of that industry (Letters,
Sentember 22).

pan-Ruropean beer companies, and questioning the so-called homogeneity of the European beer market, I stated that "much of continental Europe consumes lager sold in cans and drunk in the home". This is in contrast to the UK market. Mr Steele argues that "only the British consume more than 4 per cent of their

heer in cans."

May I refer Mr Steele to the Rita Brewing Industry Council's combined statistics. These show that in Germany in 1987, 60 per cent of total beer sales was consumed in private homes. The figure for Denmark was 74 per cent and for Portugal 35 per cent. In the UK only 18 per cent of total beer sold was consumed in homes. The bulk of British beer continues to be consumed in public houses and it is this fact which lefines the distinct nature of British beer production, sales

superpowers?
Sir, I simply ask questions about UN resolutions, and about whether they are of accept whether they are on equal value in the eyes of the world, questions that many people in the eastern Mediter-ranean are asking.

Furthermore, the lack of homogeneity in the European hear market was confirmed by the 1990 European Community Bear Review which, according to Sir Leon Brittan, shows the to Sir Leon Britten, shows the European market to be "the most diverse in the world, with a high proportion of independent brewers in most member states and a high level of consumption ... only 4 per cent of all beer consumed in the leaf eptember 22). In challenging the need for

has crossed a national border."
(June 13 1999).
Mr Steele asserts that the
Ekters/Grand Met deal would be good for the consumer. The Brewers Society suggests there are 1,000 beer brands currently available in the UK from 105 breweries owned by some 68 brewing companies. In 1900 there were 6,447 breweries owned by 1,466 browing compa-nies selling many times today's number of brands. Rationalisa-tion and mergers over the years have reduced the range on offer and the Grand Met/ Elders deal would be another stage along the same path. Can it seriously be argued by the Cranfield institute of Technology that this reduced choice is good for the consumer? Roger Monte, House of Commons,

nster, SW1

### The variety of accounting policy

From Mr David G. Kleeman.
Sir, At a recent board meeting of a listed company consideration was given to the accounting treatment to be adopted with regard to several development. land Estates, Wates (City of London), Rosehaugh, Peel, Greycoat Estatea, Stanhope Properties, Frogmore Estates, Slough Estates, Ladbrokes, Brixton Estates, British Land, and Capital and Counties. development properties. A paper had been circulated describing describing accounting policies adopted by major public com-panies ("Accounting under scrutiny," October 4).

With important variations in accounting treatment, interested third parties, such as bankers, investors, potential investors and analysis need to think carefully about the use-fulness or reliability of All the companies examined, with the exception of Land Securities, capitalised their interest on development properties less the relevant tax relief, provided the effect of such capitalisation did not accounts presented. A strict comparison of performance between listed companies is, at best, difficult. If there is not to be greater

increase the value of the asset uniformity of accounting treatment, there will continue to be surprises. The professional bodies responsible for this state of affairs should begin to act objectively and recognise ances in accounting treatment, each of which in turn has a significant effect on profits, and, therefore, earnings per share. The variances include the capitalisation of unspecifthe implications of "accounting profits" as against cash-generated profits. An audit certifiied salary and related costs, project overheads, directly attributable overheads, dis-counts on bonds and finance cate has some importance.
Accounts which are stated to
show "a true and fair view"
really should do so. The standardisation of

cosis, an costs bringing the properties to "their present state" and "an appropriate pro-portion of overheads" as resolved by the board. accounting treatment and poli-cies would render accounts more useful. It would also restrict the ability of the more optimistic boards of directors The capitalisation of out-goings ceases when a property is no longer treated as a develto report profits and earnings per share which should, or opment. It is interesting to compare how directors decide may, require later adjustment. The profession has to choose whether the interests of the wider community are more important than the immediate when such an important step is reached. The same public companies again have different needs of corporate clients anxious to increase earnings per share each year. If it is not possible for the profession to encourage the standardisation policies in arriving at their of accounting treatment, and to ensure that accounts income exceeds outgoings and become more meaningful, it could well be a question which six to 36 months after the issue of the architect's certificate of practical completion.

When rental income the Department of Trade and Industry should address, because legislation would then exceeds 80 per cent of the gross be the only effective answer. David G. Kleeman, amount expected or exceeds the interest on property out-goings, whichever occurs first. These policies appear in the accounts of MEPC, Great Port-Daman Financial Services. Accurist House, 44 Baker Street, W1

### Big Sister will know all

From Mr C.J. Webb. Sir, Observer ("Blue calls," October 9) wanted to know whom the Tories would be ringing on the hundreds of mobile telephones which the Conservative Party hired from British Telecom for the Bour-As the Conservative Party

will presumably settle the

itemised bills for the calls made, it may now be worrying the less cautious users of these "free phones" that Big Brother (or rather Big Sister) will know exactly who called whom, when and for how long. C.J. Webb, 12 Heron Qua

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# **FINANCIAL TIMES**

Wednesday October 17 1990



# EC ministers may reduce farm subsidy cuts

By Tim Dickson in Luxembourg

EUROPEAN Community farm ministers last night looked set to tone down Brussels' offer of a 30 per cent cut in farm sup-

The move, which came near the end of a key meeting in Luxembourg, is likely to infuri-ate the US and other countries such as Australia and New Zealand calling for significant reductions in farm subsidies and further throw into ques-tion the Uruguay Round trade

As last night's meeting was drawing to a close, at least some member states - and crucially the EC farm commissioner, Mr Ray McSharry were leaning towards the acceptance of a "political declaration" changing an important detail of the commission's orig-inal proposal. This is in the section on "rebalancing", the EC jargon for introducing new protection in some areas, nota-bly oil seeds, while maintaining the overall downward direction of subsidies.

The new version of the EC offer deletes the 8 per cent rate of increase originally envisaged for calculating new The first version of the draft

"declaration" designed to break the deadlock-including a potentially radical commit-ment to reshape the Common Agricultural Policy (CAP) to soften the impact on smaller producers was received with deep scepticism by a majority of member states.

The development further underlined the wide divisions and disarray in the EC over how to proceed with agricultural reform.

by the US and the Cairns Group of countries, led by Australia, to consider a much deeper, 75 per cent cutback in subsidies. But farm ministers showed no more inclination yesterday than they did last week to accept Brussels' pro-posal for a 30 per cent reduc-

Far from inspiring them to reach a consensus, Washington's latest proposal was generally dismissed with contempt. French officials claimed that the US offer was "all show", and even Mr John Gummer,

the British farm minister, who is urging acceptance of the Commission's plan, said that the US had no right to the "moral high ground."
Only Denmark and the Netherlands joined Britain yes-terday morning in backing the

Commission's stance. The persistence of the oppo-sition - led by Mr Ignaz Kiechle, the West German farm minister - subsequently forced Mr MacSharry and the Italian President Mr Saccamondi to roduce their "draft" council

This consisted of three main points: a firm instruction that any separate EC undertaking on export subsidies - the area of

declaration.

by the US-would be "incompatible" with the EC's negotiating approach; a promise that sacrifices would be shared out in an "equitable" fashion, taking into account the difficult situations of certain producers and

a commitment to "a new conception of the CAP which will offer a future to the Community's farmers." Such an approach would

"ensure the competitiveness of European agriculture" as well as "reorientating the support given by the market organisations". Although designed to soften the blow for EC produc-ers, the declaration was critic-ised from all sides. Rice subsidies, Page 3

# US rejects hint of compromise with Iraq

THE BUSH administration yesterday ruled out a deal to end the Gulf crisis under which Iraq would withdraw from most of Kuwait in exchange for keeping several strategic islands in the Gulf. In response to hints that President Saddam Hussein might be prepared to pull his troops out of Kuwait in return for concessions, Mr James Baker, US Secretary of State, said the US rejected "partial solutions" which would reward Iraq for its unprovoked aggres-

Mr Baker told a news conference in Washington that the US continued to insist on Iraq's unconditional withdrawal before any of Baghdad's griev-ances against Kuwait could be addressed in any future negoti-

tions", he said, "which would allow Iraq to benefit from the

rape of Kuwait."

Some Middle East observers
believe that a partial Iraqi
withdrawal from Kuwait could create tensions within the USled coalition against Iraq, par-ticularly among Arah members who may be inclined to strike a deal to avert war in the region. It could fuel pressure in the US for a diplomatic solution to end Mr Baker's uncompromising

stand comes on the eve of con-secutive appearances before the Senate and House foreign relations committees today and tomorrow. His testimony should give the fullest exposition of the administration's Gulf policy and could show whether Congressional support

ations.

"We are unwilling to engage in a search for partial solu-

ers suggesting that it might be willing to open negotiations on a solution in which it retained control of islands off the Kuwaiti coast and maintained

access to the Gulf. The secretary of state's com-ments appeared to confirm a weekend report by Novosti news agency that President Saddam softened his position on the annexation of Kuwait during talks last week with Mr Evgeny Primakov, a senior Soviet envoy.

The Novosti report said that Iraq would like to keep southern Rumaila and the islands of Barba and Bubiyan, the two islands which secure access to the Gulf. The Rumaila oil-field is on the Iraqi-Kuwaiti border, and each country has accused the other of stealing oil from the region before Iraq's August 2 inva-sion.

Mr Baker said: "All we have seen so far has suggested that somehow there may be some interest into what we would characterise frankly as a partial solution, that is some interest in a negotiated arrange-ment that would enable (President Saddam) to claim benefits from his unprovoked

Mr Baker said that the US had learnt the lesson from the 1930s that it was wrong to appease aggressors, a reference to Adolf Hitler.

Mr Baker played down suggestions that the US wanted to press the UN Security Council to impose reparations on Iraq or set up a tribunal to put President Saddam on trial for war crimes. Priority should be given to humanitarian needs to resupply food and water to des in Knwait.

# Hurd urges Israel to co-operate with UN

By Hugh Carnegy in Jerusalem

ISRAEL yesterday came under strong pressure from the UK to reverse its blunt refusal to co-operate with a United Nations delegation mandated to investigate the killings of 20 Palestinians in Jerusalem last

week.
Mr Douglas Hurd, the British foreign secretary, told Israeli ministers that their acceptance of the inquiry would once more focus attention in the Middle East on the most important issue - Iraq's occupation of Kuwait.

Mr Hurd held separate meetings with Mr Yitzhak Shamir, the Israeli prime minister, and Mr David Levy, the foreign

Israeli ministers responded by reiterating their rejection of the unanimous UN Security Council resolution, which condemned the shootings, as a one-sided pre-judgment of the incident and a denial of Israel's claim to sovereignty over the

Mr Avi Pazner, the prime minister's spokesman, said after the meeting with Mr Sha-mir that he had not detected any change in the position adopted by the Israeli cabinet. However, Mr Hurd said some reconsideration on the part of Israel was possible because it was clearly against Israel's interests for the issue to become the subject of further debate at the UN. There were ways and means" for Israel to compromise if it so wished.

Israeli newspapers reported yesterday that discussions with the UN were continuing to determine whether some



British Foreign Secretary Douglas Hurd (left) meets Israeli premier Yitzhak Shamir

acceptable after an Israeli commission of inquiry into the kill-ings had compiled its report. Israeli officials emphasised that their objections were mainly to the Security Council resolution itself and not to a UN delegation per se. Israel had received UN delegations in

The Shamir government's stance has been criticised by Israeli opposition figures, including Mr Shimon Peres, the leader of the Labour party. Mr Teddy Kollek, the long-serv-ing mayor of Jerusalem, said

less formal mission might be yesterday he was willing to arrangements after the crisis. meet any UN mission.

Both sides were at pains yes-terday to emphasise that the talks had been held in a friendly atmosphere and denied reports that Mr Hurd had been accorded a cool reception. Mr Hurd and Mr Levy, who does not speak English, emerged from their discussions chatting amiably in French. There was broad agreement on the prime objective of remov-ing Iraqi forces from Kuwait. Mr Hurd said Israel would

have a legitimate role to play

in any new regional security

He was said to have been assured that reports that Israel might be considering a preemptive attack on Iraq were

Mr Hurd's call for "fresh thinking" on the part of Israel to break the logiam in the dis-pute after the Gulf crisis had been resolved met the usual refusal to make territorial con-cessions to the Palestinians, and the demand that Arab states must normalise relations with Israel as a condition for

peace. Middle East, Page 4

# Three arrested over alleged Iraq exports

By Richard Donkin in London

CUSTOMS and Excise officers an Iraqi-owned engineering complex yesterday and arrested three of its British directors in connection with an investigation into suspected illegal exports of machine tools

The officers, from the Customs investigations division in London, removed documents from the Matrix-Churchill factory on the outskirts of Coven-

try.
Mr Paul Henderson, managing director, Mr Peter Allen, sales and marketing director, and Mr Peter Abrahams were being questioned last night at Customs offices in Coventry. The Customs and Excise confirmed that the arrests had

exports to Iraq. The raid follows a visit to the factory by customs six months ago. Management at Matrix Churchill, a leading British manu-

facturer of computer-controlled lathes and flexible manufacturing systems which employs about 600 people, had been negotiating to buy out the company from its Iraqi owners. They had hoped to complete the deal by the end of the month.

Last month, the Bank of England moved to freeze several bank accounts — some of them at Lloyds Bank — belonging to Matrix and its parent companies, Technology and Development Group (TDG) and TMC Expensesion.

TMG Engineering.
Matrix was allowed to conbeen made in connection with possible breaches of export licencing legislation involving Iraq, which had been embar-

goed since the August invasion a Bagdhad company called Al-of Kuwait. a Bagdhad company called Al-Arabi which used UK-based Directors warned two weeks

ago, however, that the business was in serious jeopardy unless a buy-out could be secured. One of Matrix Churchill's

One of Matrix Churchill's biggest contracts, suspended by the embargo, was a £26m turnkey project to establish a die forging plant in Iraq.

The project was funded by a letter of credit from the Atlanta, Georgia, branch of Banca Nazionale del Lavoro, discaverad lest war to have discovered last year to have

improperly sanctioned \$3bn credits to iraq.

Matrix supplied lathes to Iraq in three other orders, worth £19m, which were completed before the embargo.

Matrix Churchill formerly Matrix Churchill, formerly Ti Machine Tools, was bought out of the Ti Group in 1987 by

subsidiaries to secure the deal. British directors have an 11 per cent interest in the company, with the rest owned by Iraqis. One of the Matrix parent

companies, TDG, with offices in Chiswick, London, later entered into a joint venture with Dr Gerald Bull, a Canadian ballistics scientist, to buy the former Lear Fan aircraft factory in Belfast. After the purchase, however,

obtain advanced technology in the manufacture of composites for their missile programme, intervened to block a development grant to the factory. The factory was later sold. Matrix Churchill is well known for supplying lathes to the UK munitions industry.

the Foreign Office, fearing that the Iraqis were attempting to

### Sumitomo's chairman resigns over illegal loans

scandal By Stefan Wagstyl in Tokyo

THREE TOP executives resigned yesterday at Sumitomo Bank, the leading Japanese commercial bank, which has been hit by an illegal loans scandal and by financial difficulties at Itoman, an overborrowed trading company.

Twenty-four other directors

Twenty-four other directors voted to take cuts of the equivalent of between one and three months' pay to show remorse for damage done to the bank's reputation by the illegal loans affair.

The announcements coincided with news that Moody's, the US credit rating agency, is considering down-grading Sumitomo's coveted AAA rating, because of its exposure to the Japanese property market, including the loans to Itoman.
The three executives who

resigned are: Mr Ichiro Isoda, the chairman who said a week ago that he would quit over the loans scandal and who decided yesterday to step down immediately; Mr Koh Komatsu, deputy chairman, who cited health reasons; and Mr Teizaburo Nishi, the bank's deputy president in charge of domestic business. Mr Nishi was the most

had direct contact with Mr Mitsuhiro Kotani, the stock market speculator at the centre of the scandal. Sumitomo said Mr Nishi took no part in the illegal loans scheme but wanted to take moral responsibility for it. Mr Isoda and Mr Komatsu will remain Sumitomo board members but Mr Nishi will leave the bank. The scandal blew up earlier

this month after Mr Akinori Yamashita, a branch manager, resigned and was arrested for allegedly arranging loans in 1988 for speculative investors using funds borrowed directly from other clients. The main beneficiary of the scheme was Mr Kotani, head of Koshin, a speculative investment syndi-

Later it emerged that Mr Yamashita's successor at the branch in Yokohama, near Tokyo, was also involved in a similar scheme, allegedly act-ing on instructions from Mr Yamashita. This second branch manager has not been named or charged, but has been transferred to head office, pending the completion of enquiries.
The loans scheme was

unearthed in a wide-ranging investigation of Mr Kotani's activities by the Tokyo District Prosecutor's Office. Mr Kotani is on trial for allegedly driving up the shares of Fujita Tourist Enterprises in April 1990.

The prosecutor is also exam-

ining earlier incidents, includ-ing the controversial takeover of Kokusai Kogyo, an aerial survey group, and alleged greenmail raids - attempts to drive up the value of a compa-ny's shares and then force the target company to buy the stock back at inflated

Sumitomo Bank's name has been dragged into the affair because it was one of Mr Kotani's biggest backers. Mr Kotani once boasted he could raise huge sums of money with a single call to Sumi-

tomo.

The bank declined to comment on Moody's decision to look at its debt rating. Moody's said it put Sumitomo under review because of its concern about the property market and Itoman.

# One goldmine for a big forest

THE LEX COLUMN

When free-booting capitalists like Lord Hanson, Lord Rothschild and Sir James Goldsmith sit down and deal each other a sit down and deal each other a hand, it would be a mug's game to pick the winner. Sir James, who likes to give the impression of making one or two big strategic calls each decade, is keen to get out of hard assets, especially in the US. Lord Hanson, seemingly intent on the opposite, is

intent on the opposite, is increasing his exposure to depressed US natural resource industries. Lord Rothschild's RIT Capital Partners is living up to its reputation for big and unorthodox investments by increasing its net asset value by 10 per cent. Given that Sir James' busi-

ness affairs are hidden away in offshore tax havens, it is hard to know whether he made a killing on his long investment in timber. Hanson, by contrast, probably made a modest \$60m loss on its minority investment in Newmont Mining. When it bid for Consolidated Gold Fields in the summer of 1989, Newmont's shares were trad-ing around \$40. They then rose to \$54.25, with Hanson bulls talking of an exit price of \$60 for an investor willing to pay a premium for control of one of the world's biggest gold min-ers. Unfortunately, even Lord Hanson can be made to look foolish by the gold market. Hanson has managed to sell its stake at an 11 per cent pre-

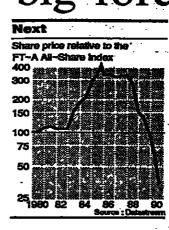
mium; but even so, an exit price of around \$39 per New-

mont share is not a lot to show

for a year's work. Of course, Hanson has swapped a minority interest in an unpredictable investment for 100 per cent of a business it can now control. In addition, it increases its income on the investment fivefold; and it would be surprising if Hanson could not make pre-tax profits of more than \$97m on the \$1.6bn of assets it is buying at a discount. That said, Hanson's entry into the timber and oil and gas business is a surprise. Taken with its recent investments in coal, to say nothing of its passing interest in elec-tricity, it suggests a slightly puzzling lack of focus.

GrandMet/Elders

The Government ruling on the GrandMet/Elders deal was billed as the decisive event in the rationalisation of the entire UK brewing industry. In the event, the industry's evolution has become so complex that the authorities seem no clearer on what is going on than the brewers themselves. But it rather looks as if the Trade



Secretary, in deciding to let the deal through with only minor qualifications, has ended up sanctioning an official duopoly.

The case was set out plainly by the Monopolies Commission in prohibiting Elders' bid for Scottish & Newcastle 18 months ago. "The creation of a second large group which together with Bass would supply over 40 per cent of the mar-ket would result in reduced competition". The new enlarged Courage will, with Bass, have 40 per cent of the beer market overall and 47 per

cent of lager. Mr Lilley has nodded it through, remarking meanwhile that this concentration will make him increasingly reluctant to approve mergers in future. Granted, the final details have yet to be hammered out. The MMC has accepted the partners' plea-bargaining, adding only that the tie between the new brewing and

should be reduced to 15 per Mr Lilley has sent them back to haggle over the tie period; if it is close enough to five years, the 15 per cent figure will be

pub empires should last five years rather than 10 and that the market share in brewing

It will nevertheless remain as a signal to the outside world, particularly to any foreign brewers entertaining dreams of conquest. Anyone buying a UK brewer, it seems, will have to settle for organic growth thereafter. And the entrenched competition is forworld's fourth largest brewer; in its other two main markets, Australia and Canada, its share is 50 per cent and 52 per cent respectively. To reach the same position in the UK, it would have to carve the whole market up with Bass. The more the trend to lager contin-

The chief remaining obstacle to that is the tied system itself. But the whole GrandMet/Elders deal is posited on the notion that the tied system is collapsing anyway. The supply agreement now being argued over is designed to give the new brewing empire transitional protection. Thereafter, GrandMet will be free to exploit its buying power in a free market, and Elders, whose declared strategy is to concentrate on worldwide beer production, may well lose interest in being part-owner of pubs which are no longer guaran-teed outlets. The other big UK brewers — Scottish & Newcastle perhaps excepted — must now be wondering what on earth to do with their own brewing capacity. They may find they have left it too late.

Given the market's tendency to hammer the shares of trou-bled companies, Next might be allowed a small plea for toler-ance. After all, it has two years before it faces its tallest hurdle, refinancing its 5% per cent convertible bond issue. Yester-day's interim results suggest its management should be given some credit for pushing ahead with the necessary staff cuts and store improvements. The £49m write-down on prop erty leaves an unpleasantly large hole in the balance sheet; but assuming the deals go ahead, the clean break is pref-erable to a slow leak. A sale of the Club 24 credit subsidiary seems likely during the second half. In addition, Next Directory promises to contribute higher net profits now its cost base is stable. On that view, the shares look cheap at 30p against an estimated net asset value of £335m or 91p per

The big problem remains the pedestrian performance in the High Street, where the like for-like sales figures make grim reading, particularly in the menswear division. Men might be fickle purchasers of suits when mortgage rates are high; but Next compounded its diffi-culties with an unbalanced product line. The company now has its first real opportu-nity since 1988 to show it can come up with the range of quality clothes to kick-start earnings in its main cash generative business. If it fails, its bankers might be tempted to see it as another Laura Ashlev when it comes to debt refinancing. The market will take an even harsher view.

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# **FINANCIAL TIMES**

# COMPANIES & MARKETS

• THE FINANCIAL TIMES LIMITED 1990

Wednesday October 17 1990



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### **GE advances 9%** in third quarter



US made a strong showing yesterday with a 9 per cent indrease in third-quarter results. Chairman Jack Welch (left) was clearly happy with the outcome in a difficult environment \*Despite the current global uncertainty, GE expects 1990 to be the double-digit increase in earnings per share." Martin Dickson reports from New York. Page 30 fourth straight year of a

Foreigners' field of dreams The forthcoming privatisation of the British electricity industry is likely to encounter strong overseas levestor support. With their appetities already whethed by the recent sale of water company shares, the electricity industry could be a safe port for many foreigners who want exposure to the UK market, but are put off industrial stocks by their belief that the economy has already dropped into recession Deborah Hargreaves reports. Page 33

### US shake-up at Kumagai



A police raid on theoffices of Kumagai Gumi was the letest unhappy event in an awkward year for the Japanese construction company.
The raid was part of an inquiry by Japan's Labour Standards Bureau into the collapse of a Tokyo railway tun-

nel being built by Kumagai and its sub-contrac tors. The group also said yesterday said that its US operations will be reorganised as part of a general drive to reduce the foreign share of its business. Robert Thomson reports. Pege 31

### Mount Charlotte rejects Brierley Shareholders in Mount Charlotte Investments.

Britain's second biggest hotels group, were yesterdey strongly urged to reject the offer from Brierley investments, the New Zealand company founded by the entrepreneur Sir Ron Brierley: "It would be abourd for shareholders to accept this offer," said Mount Charlotte chief executive, Robert Peel, Mount Charlotte said the offer, which values the group at 2644m (\$1.2bn), represented a 40 per cent discount to its net asset value. Andrew Bolger reports.

### Attwoods poers 42%



42.5 per cent rise in pre-tex profits. The results brought few surprises, with the company's main businesses showing atrong growth: However, chairman Ken Foreman (left) warned in his nent that & com-

about 80 per cent of its earnings in the US cannot be invulnerable to recession. Juliet Sychrava reports. Page 34

### Harket Statistics

FT-A indicas

London tradit; options Managed trad service Money markets New Int. bond insues World commodity prices World stock mkt indices

Companies in this section

Agricola Resource Anglo-Eastern Plant Atlas Converting Borland Cheung Wah Devel Chinese Estates DFC New Zealand

MAN Merck Merrill Lynch Microsoft Midland & Scotlish Deere & Go Oel Monte Den norske Bank Telecom Australia Telekom Malaysia Thorntons General Electric Trelleborg

Chief price changes yesterday

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# UK government backs beer swap

By Clay Harris in London and Kevin Brown in Sydney

THE CREATION of the UK's second-largest brewing group, through the pubs-for-breweries swap proposed by Courage and Grand Metropolitan, is to be allowed by the British government, but only under strictly limited conditions.

While the approval is qualified, it marks another significant step towards the extinction of Britain's unusual system of "tied houses". Under this practice, many pubs are owned by breweries and, almost exclusively, sell only their owners' beers.

Mr Peter Lilley, trade and industry secretary, also signalled yesterday that further concentration in the brewing industry might face tougher regulatory hurdles. But he failed to give explicit support to a 15 per cent market share limit put forward in this case by the Monopolies and Mergers Commission. Mr Lilley accepted the commis-

sion's conclusion that the Grand-Met/Courage deal would operate against the public interest, but might proceed on certain condi-tions. He gave the companies a

month to reach a settlement with Sir Gordon Borrie, director general of fair trading.

in March, the companies proposed a complex assets exchange involving the transfer of Grand-Met's breweries to Courage, and the injection of all of Courage's pubs and many of GrandMet's into a new joint venture, inntre-preneur Estates.

The biggest change recom-mended by the commission was that all pubs owned either by Inntrepreneur or by GrandMet be "untled" from buying beer exclu-

Supply of Beer in the UK in March 1989 found a complex

monopoly which operated in favour of brewers owning tied

retail outlets and which restricted competition at all levels. The commission concluded that in the absence of any likely growth in the number of on-li-

cence premises like pubs, struc-tural change was essential to secure a more competitive regime. It made a number of

sively from Courage at the end of five years, rather than after 10 years. This would make Courage the first of Britain's five biggest brewers to lack any captive out-

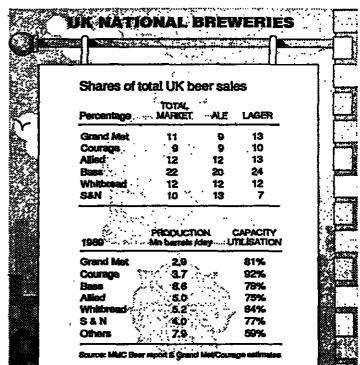
Mr Lilley said only that 10 years was too long and that a "shorter period" should be nego-

GrandMet's response to Mr Lil-ley and the commission's report appeared to be slightly more opti-mistic than that of Courage, which is owned by Elders IXL of

The UK company said it envisaged it would be able to reach an agreement. It said: "We anticipate that the eventual restructuring will be both financially attractive and strategically bene-ficial to Courage and ourselves and, of course, in the public

interest." Courage, however, said only that its "objective will be to final-ise an agreement which is fundamentally beneficial to both par-

Lex, Page 26 The beer market, Page 36



about 40 per cent of the beer mar-ket and 47 per cent of the lager market. Small wonder that on grounds of increased concentra-tion alone, in an industry which already has a high degree of con-centration, the commission should conclude that the deal

would concinue that the deal would operate against the public interest and should be blocked. But instead of accepting this recommendation, the government appears to be more concerned with an all-out attack on strong vertical integration within the industry than in taking a tion policy.

It appears to be prepared to overlook the anti-competitive the increased market share of the merged interests if it can success fully negotiate a large reduction in the high degree of vertical integration which would result if it was allowed to go through unconditionally.

Can the industry now rely on this as the approach the government will adopt towards maintaining competition in the industry in future? Apparently not. Mr Lilley made it clear yesterday that "although appropriate undertakings to reduce vertical links may prove sufficient to deal with this case, this does not guarantee that similar increases in concentration in other cases will be viewed in the same way."
The deal, of course, may yet not proceed. The companies have

a month to agree to undertakings with the director general of fair trading. The requirement for the period of exclusive supply of beer under the beer procurement and supply agreements to be reduced so that inntrepreneur Estates, which will hold all the tied public ises and Grand Met Retailing. which will hold GrandMet's remaining tied pubs, would be released totally from such exclusive supply agreements after five years, is stringent.

It may prove too much for Courage, especially, to swallow, particularly as no one else will be required to end tied houses agree-

# MAN's vehicles unit ahead by 45%

By Kevin Done, Motor Industry Correspondent

MAN Nutzfahrzeuge, the commercial vehicles subsidiary of MAN, the German engineering group, increased net profits by 45 per cent in the year ended June, 1990 to DM158m (US\$104m).

Group turnover rose by 11.8 per cent to DM5.54bn helped by record truck production and

record truck production and sales. Pre-tax profits increased by 55 per cent to DM331m.

MAN forecast another "satisfactory" financial performance in the current year helped by record order books, which would ensure that the group operated at full capacity. Group turnover was forecast to increase to more than DM7bn. In the first three months (July-September) of this year, turnover jumped by 42 per cent to DM1.4bn, while the value of new orders rose by 67 per cent of new orders rose by 67 per cent to DM1.9bn, including an 82 per cent jump in the value of do

tic orders.
The MAN results illustrate graphically the starkly divergent trends in operating performance among western European truck

among western European truck makers this year.
In contrast to MAN, DAF of the Netherlands, ERF of the UK and Enasa of Spain, the maker of Pegaso trucks, have all slumped heavily into loss. Remanit Vehicules industriels of France has also suffered a fall in profits largely as a result of the heavy losses of Mack, its US unit.
The loss-making European groups have all been hit hard by the steep recession in truck mar-

the steep recession in truck mar kets such as the UK and Spain, while MAN and Daimler-Benz in particular are benefiting greatly from the continuing strong demand in Germany, where together they control around 85 per cent of the market. MAN said that its total vehicle

production had risen by 11.4 per cent to 30,642 in 1989-90 from 27,501 a year earlier and 23,813 in 1987-88. Mr Wilfried Lochte, chairman

of the MAN Nutzfahrzeuge management board, said the group expected a further 13 per cent jump in vehicle sales in the cur-10.5 per cent increase in volume to 30,328 in 1989 - 90.

MAN, which will consolidate Steyr Nutzfahrzenge, its Austrian commercial vehicles acquisition from July 1, said it expec-ted new orders to jump to about DM7bn in 1990–91 compared with DM5.9bn last year and DM5.7bn in 1988-89. Mr Lochte said that MAN had

more than compensated for fall-ing sales in the UK and Spain by increased domestic deliveries.

# Another reports round for British brewers

Clay Harris and Robert Rice look at GrandMet's deal

Pritish brewers have had to assess as many reports and government decisions in the past few years as the trade and industry department has had secretaries. Has Mr Peter Lilley, whose turn it now is to order a round, left them any wiser about what will and will be not be allowed in future? Their immediate response yes-

terday was that they were going to have to read the 83-page Monopolies and Mergers Commis-sion report on the complex Grand Metropolitan/Courage pubs-for-brewerles swap carefully before

venturing an opinion.
Scottish & Newcastle Breweries admitted that its ability to answer the question was handi-capped by the failure of the com-mission's reports to arrive in any Scottish branch of Her Majesty's Stationery Office until after 3pm. But at least two salient points jumped out from even a cursory reading of the report and Mr Lil-

• Further concentration in the brewing industry faces an uphill struggle to win approval. The commission wanted to limit the market share of the expanded

market share of the expanded Courage to 15 per cent.

Mr Lilley said he would not insist on this if undertakings were met, but warned for the future: "I must consider each case on its merits, and the greater degree of existing concentration in the industry, the more reluctant I will be to allow fur-ther increases in market share to take place by acquisition."

The 15 per cent recommenda-tion is interesting as it suggests that a lower threshold than the 25 per cent normally used by the commission in considering concentration ownership may apply when the peculiarities of the distribution structure dictate it. If 15 per cent does emerge as the limit among brewers, this

will be possible among the Big Five brewers - Bass, Courage, Allied Lyons, Whitbread and Scottish & Newcastle. And even se companies will be limited in their scope for acquisitions. On the face of it, this strengthens the hand of Bass, the unchal-lenged leader with 22 per cent. It also sends a signal to non-UK brewers about the limitations of

their scope for acquisition. The far more concentrated ownership of brewing (but not of beer retailing) in almost every other devel-oped country and how the European market might evolve received no attention from the commission. Britain is still an island with regard to beer.

The price of any further concentration will be a quicker end-

ing of exclusive supply arrange-ments - the "tie" — between brewers and pubs, even owned at arm's length as in the GrandMet/ Courage joint venture, inntrepreneur Estates.

But who should fear an early end of the tie? If UK brewers do not make sufficient inroads in reducing their overcapacity, Courage may suffer because there may continue to be too much beer trying to find a place in too few pubs. In such a buyer's market, GrandMet and Inntrepreneur might actually welcome early freedom to shop around. But if capacity is reduced over the next five years, the balance of power might shift in favour of brewers without commitments to their own puls. In any case, it is clear that the days of the "tied house" are numbered, despite the

ground the brewers regained late last year from Lord Young, Mr Lilley's predecessor but one. Yesterday's decision does appear to reflect a shift in government policy back towards the maintenance of competition. The commission's report on the

regime. It made a number of recommendations for change aimed at reducing the very strong link between brewing and retailing and for greater transparency in wholesale beer prices. The government reacted by amouncing a series of less far reaching measures. These suggested it had in part accepted the brewers' argument that there was self-evident competition. was self-evident competition between individual pubs locally and therefore between brewers of every size, and that vertical integration in beer retailing had not only been approved by the Euro-pean Commission but had posi-tively beneficial effects for the

industry and consumers.

The commission, for example, recommended that a calling of 2000 should be put on the number of the pure of the pu could own. But the government, mere, captiously, required only that howers owning more than that number sell half the excess Little has changed in the

industry since publication of the Supply of Beer report. The six national brewers still account for three out of every four barrels of beer sold in the UK. GrandMet supplied about 11 per cent of the beer market in 1989 and Courage 9 per cent. They supplied 13 and 10 per cent respectively of the lager market. Following the proposed

merger, two brewers, Courage and Bass, together, would have

# Merrill Lynch net income rises 12% amid tough third quarter

By Martin Dickson in New York

MERRILL Lynch yesterday opened what is expected to be a season of sluggish results from Wall Street securities houses with a 12 per cent rise in net income for the third quarter - a period covering the sharp decline in world stockmarkets due to the Gulf crisis.

Merrill, the largest US securities house, said net earnings rose from \$41m to \$46.1m, although the 1989 quarter was depressed by a \$2.2m loss on a divestiture. Earnings per share totalled 38 cents, against 34 cents.

Analysts' forecasts had varied widely from 30 to 40 cents - a reflection of the turbulence on the markets. Securities firms were hit during the quarter by poor trading volume and minimal activity in the takeover field and Merrill said its figures were

encouraging, given the "extremely adverse environ-ment" and the fact that the stock-market had registered one of its poorest quarterly performances in four decades.

It added that the Middle East crisis and inconclusive talks on the US federal budget deficit had "injected further uncertainty, dampening activity by our indi-vidual, institutional and investment banking clients". The group attributed its figures

to stringent cost control. It said this put it in the "best possible position to capitalise on market and economic conditions when they improve. At the end of last year, the company took a \$470m restructuring charge to cover cost-cutting measures. Revenues for the quarter were \$2.87bn, against \$2.83bn. There

principal transaction revenues involving securities in the group's market-making inventory due to improved fixed-income

Asset management and custo-dial fees advanced 11 per cent, but there was a 5 per cent decline in revenue from commissions earned on securities trading. Mer-rill said this reflected "adverse market conditions and lower levels of investor participation.

There was a 39 per cent decline in investment banking turnover because of general weakness in

equity underwriting and merchant banking activity. Many issuers postponed transactions amid economic uncertainty.

Merrill's expense bill rose slightly - to \$2.79bn from \$2.76hn due to consolidation of a financial group. Otherwise, oper-

# Citicorp falls 38% in third quarter

was a 31 per cent advance in

By Martin Dickson in New York

CITICORP, the largest US commercial bank, yesterday underlined the difficulties facing the industry by announcing a 38 per cent drop in third-quarter net income and large write-offs on property and other commercial loans.

However, the bank maintained its dividend of 44% cents a share - in contrast to two large New York rivals, Chemical Banking and Chase Manhattan, which have announced dividend cuts to conserve capital.

The bank reported third-quarter net income of \$221m or 56 cents a share compared with \$358m or 99 cents a year earlier. The figures were only a little short of fore-casts, but some Wall Street ana-lysts argued that the headline fig-ures masked a sharp deterioration in Citicorp's ratio of non-perform-ing assets to loan loss reserves and it would have to address this. "There could be a large hit to equity in the fourth quarter," argued Mr Thomas Hanley, banking analyst at Salomon Brothers. Citicorp shares were the most actively traded on the New York Stock Exchange yesterday and closed down \$1 at \$13.

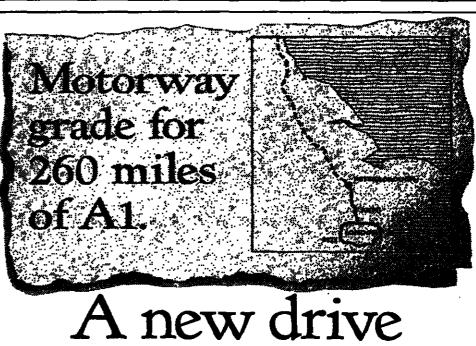
Meanwhile, Manufacturers Han-over, another large money centre bank, yesterday announced thirdquarter net income of \$77m, or 89 cents a share, compared to a net loss of \$789m, or \$15.46 a share a year earlier when it added \$950m to its reserve against third world

Citicorp said its results contin-ued to reflect the slowdown of US corporate banking and write-offs on its US real estate portfolio. At the same time, the bank said its consumer business remained strong - earnings advanced 34 per cent to \$298m in the quarter. It warned that the US real estate market had not yet stabilised and continued write-offs would extend into 1991. "Resolution of the Gulf crisis and stabllisation of the financial markets will have an important bearing on the outlook for the US economy and hence on the real estate busi-ness," the bank noted.

Citicorp's commercial loan loss provision – excluding third world debt – was \$283m, up from \$59m in the third quarter of last year. It included \$201m of net write-offs, which compared to \$27m in the same period of last year and \$228m in the first two quarters of

Domestic real-estate write-offs were \$61m, against \$11m a year ago and \$98m for the first two

Write-offs on highly leveraged takeovers which have gone sour were \$42m, against \$108m in the



for Peterborough. (nice one, Cecil.) If you're looking for development or

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THE PETERBORO

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# CCF advances by 4% to FFr356m in first half

CREDIT Commercial de France (CCF), the French commercial bank, has reported a 4 per cent advance in first-half net profits suvance in inst-hair het pruns to FFr356.4m (\$67.8m).

Mr Michel Pébereau, CCF's chairman, said the period had been marked by a series of negative factors, including the structure of interest rates, the weakness of the stock market and the distortion of council. and the distortion of competition in the loans market. CCF had suffered in just the same way as the rest of the French banking sector. "It is rare for so many negative factors to

accumulate," he said.

Mr Pébereau said clients had transferred their funds away from deposits to money market mutual funds, obliging the bank to increase its use of cer-tificates of deposit, for which it must pay more, to FFr22bn, compared with FFr12bn a year He complained the mainte-

nance of lower taxation for these money market funds than for conventional deposits was an aberration. In addition, he said, the dis-tortion of competition result-

tortion of competition result-ing from the monopoly of the Caisses d'Epargne and Crédit Mutuel savings banks on tax-free savings passbooks had led to a collapse in lending mar-gins unparalleled elsewhere. CCF increased its outstand-ing lease in France by 14 neing loans in France by 14 per cent in the first half of the year, but narrower margins meant that net banking income

rose only by 5 per cent to Gross operating profits

### Whirlpool to sharpen focus on top brands remained flat at FFr1.07bn, and CCF made net new provisions, offset by capital gains, total-By Ronald van de Kroi

in Amsterdam

WHIRLPOOL International BV (WIBV), the white goods joint venture between Whirlpool of the US and Philips of the Netherlands, is to carry out a reorganisation aimed at sharpening the company's focus on its leading brand names.

its leading brand names.

The company said it plans to create two brand-oriented business units. The first will focus on the Philips Whirlpool brand — which was formed early this year by linking the names of the joint venture's two partners – and on the smaller Ignis and Laden brands. A sec-

ond business unit will look after the Bauknecht brand. "The focus on product "The focus on product brands, more than ever, will be the driving force of WIBV as the company moves from the country-to-country marketing of the past to the global Eurobrand concept of the 90s," the company's president, Mr Jan Prising, said in a statement from the joint venture's head-quarters in Comerio, Italy.

In another change of policy

In another change of policy, a separate business unit will concern itself with manufacturing and technology. Until now these tasks were spread over a variety of different

offices.
This manufacturing arm will work closely with Whiripool's North American operations in global development projects and in worldwide purchasing of materials and components. The reorganisation is scheduled to be completed in 1991, before the creation of the singie internal European market

No major job losses or factory closures are planned, though a small, unspecified number of jobs may be cut to avoid duplication of effort.
After the reorganisation, national sales offices will con-

centrate on primary marketing tasks and on customer service. Other activities, such as aftersales service and administra-tion, will be handled by a common service infrastructure, in order to take advantage of greater economies of scale. Staff in Comerio will set out Europe-wide strategies for quality, human resources, finance and legal services.

# Next profits plunge to only £2.3m

NEXT, the fashion retailer and mail order group, yesterday recorded a drastic fall in pretax profits to £2.3m (\$4.5m) from £16.2m. Sales in the six months to July 31 were 20 percent down to £374.7m from £470.4m.

However, a fair chunk of the previous year's profits and sales came from businesses now discontinued and operatbusinesses slipped less precipi-tously to £6.7m against £9.7m, on increased sales of £369.8m from £368m.

The company, which locked itself into a high cost structure during its hectic expansion in the 1980s, has struggled in the

ditions and its shares have been battered in recent weeks as fears have grown that the company will be unable to repay two convertible bond issues due in 1992.

But the company eased concarn yesterday by smoonning its withdrawal from property development and suggesting that its Club 24 credit card operations might be sold in the second half. The sale of these interests may net about £80m. Mr David Jones, chief executive, said: "We are not going to go bust. What we are doing is sorting out the business." Next expects to recover about £37m from the sale of its

But this will represent a considerable shortfall compared with their book value of £68m, so the company took a £48m, extraordinary charge in the period, after adding deferred interest and other

was holding talks which could lead to the sale of Club 24. This business contributed £2.9m against £2.7m during the six months. Analysts say the division could fetch about £40m. Next's high street retailing interests saw operating losses steepen to £2.6m from a £2m loss, as sales slipped to £128.7m against £132.9m. Because of the

was weak, with a like-for-like sales decline of 2% per cent. Mens wear was particularly badly affected and sales slid by 15 per cent.
But the business has been restructured. During the half year, retail space was cut by 6 per cent to 1.03m sq ft and staff numbers by 23 per cent to

Next's home shopping division saw trading profits fall to 26.4m from £8.2m, although this disguised a buoyant performance from the Next Direc-tory which increased sales by 29 per cent to £41.7m.

The interim dividend fell to

0.7p against 2.7p. Earnings per share fall to 0.44p from 2.81p. Lex. Page 26

### Lau brothers see off bid

for companies

By John Elilott

THE LAU brothers, two of Hong Kong's most controversial corporate raiders, have defeated a HK\$8.62bn (US\$1.11bn) takeover bid for their main property and manufacturing companies. Evergo International and Chinese Estates, from Mr Hwang Chou-shiuan, a Talwan-born businessman based in Hong

Mr Hwang offered HK\$4.80 a share for Evergo and HK\$3.35 a share for Chinese Estates. But he only obtained 44.3m Evergo shares, representing 8.1. per cent of the company's issued share capital, compared with a bid target of 90

The bid, made by Super Power Resources, was greeted with widespread scepticism when it was first rumoured in July and was then formally launched in August.

The Lau brothers are believed to have substantial holdings of approaching per cent or more in both companies, which means that their approval

# **Del Monte \$32m goes** to Polly Peck account

SOME \$32m belonging to Del Monte Fresh Fruit, a US sub-sidiary of Polly Peck International, has found its way into a bank account belonging to Polly Peck, it emerged yester-

This is the first sign that the "ring-fence" built around Del Monte, intended to protect it from financial contagion from other parts of the group, has been breached. Polly Peck has exhausted its cash balances and resorted to selling assets to keep afloat.

The \$32m was paid into an account in the name of Polly Peck held at Midland Bank The bank said the money had been paid in several instalments over a period of about two weeks, culminating two

A number of banks have claimed much of this money was intended for them, and it was a prepayment of a loan they advanced at the time Polly Peck took over Del Monte

a year ago. The \$550m loan was secured on Del Monte's assets, and the banks had relied on a "ringfence" arrangement to protect these from being transferred to other parts of the group.

Midland Bank said yesterday that the \$32m had been paid into a Polly Peck account at one of its branches with no instructions for its onward

ling Fri560m, compared with FFri594m in the same period of 1989. The bank had already

1989. The bank had already almost entirely covered its sovereign debt risks last year by spinning off its loan portfolio into a separate trust, but it had to boost provisions for specific client risks by 50 per cent.
Earnings per share, after the payment of interest on participating securities, fell to FF17.65 compared with FF17.80 a year earlier.

Européenne de Banque, CCF's private banking and asset management subsidiary,

made net profits of FFr25.2m, down 10 per cent from the same period of 1989 in a diffi-

It is understood that the cash, which had been sitting in a Del Monte account with another bank, was paid on the instruction of Polly Peck's central treasury staff in London.

It is believed that it was used that the believed that it was used the polly perfect that the polly perfect that the polly perfect that the polly perfect that the perfe to reduce a Polly Peck over-draft at Midland. "We were never party to the ring fence agreement," Midland said yes-

Banks involved in the \$550m loan had earlier claimed that Midland had itself seized the money, saying that it could off-set the Del Monte cash against money owed to it by Polly Peck. Midland has consistently denied this.

Del Monte refused to com-

ment yesterday, while Polly Peck would say only that the matter was in the hands of its According to one banker close to the transactions:
"There is now a legal dispute between Del Monte, Polly Peck and Midland. It will be for the

courts to sort out."

### property interests within the tough retail conditions, the underlying sales performance

Wallenberg groups under strain By John Burton in Stockholm

INVESTOR, Providentia and Patricia, the Wallenberg fami-ly-dominated investment companies, yesterday reported results that reveal that they are coming under increasing financial strain, which could eventually loosen the family's control over key segments of Swedish industry.

Investor reported a 40 per cent drop in profits to SKr145m (\$25m) for the first eight months of 1990 and Providentia a 58 per cent slide to SKr61m.

while Patricia suffered a loss of Trelleborg up to SKr1.74bn with

slight sales fall TRELLEBORG, the Swedish industrial group with interests in mining, rubber, plastics and chemicals, yesterday reported a SKr1.74bn (US\$308m) profit (after financial items) for the first eight munths of 1990, a commarable figure to the at the end of 1992. comparable figure to the SKr1.73bn achieved over the same period of 1989, writes Robert Taylor in Stockholm. Sales fell back slightly to

SKr16.99bn from SKr17.191 The company said profits for the whole of this year would emerge between SKr2.2bn and SKr2.3bn. This compares with an actual net profit of SKr2.7bn in 1989. Trelleborg added that the forecast was dependent on stable metal prices and exchange rates. exchange rates.

SKr575m, a plunge of 278 per

Falling share prices and costly efforts by the family to resist corporate raiders and restructure its industrial empire were behind the profit decline. Investor said its sub-stance value per share, based on its own capital plus its extensive shareholdings, fell by 10 per cent to SKr209.

Rising interest rates increased investor's interest debt burden to SKr262m from SKr79m during the correspond-

ing period a year ago. But it added that the value of its shareholdings had declined by only 4 per cent, compared with an 8 per cent drop for Affara-variden general index, a mea-sure of the Stockholm bourse.

Providentia reported that its substance value per share fell by 16 per cent to SKr163, while the value of its shareholdings declined by 7 per cent. Patricia blamed its profit deficit on a greenmail raid by Mr Sven Olof Johansson, a Swedish

### Outokumpu profits in sharp fall to FM253m

By Our Financial Staff

OUTOKUMPU, the Finnish metals group, yesterday reported a steep decline in pre-tax profits from FML09hn to FM253m (US\$70.3m) for the first eight months of 1990 compared to a year ear-

But the company said the setback mostly reflected last year's exceptionally good posi-tion. It noted that the result in the second four months was on the same level as the first four months.

Outokumpu said base metals markets had been quite stable this year. Prices were clearly lower than a year ago but an expected price collapse had not

materialised. It was difficult to make forecasts given the present uncertain world political situation, the company

However, it was possible

that results for the full year would show an improvement, Outokumpu said. Outokumpu's pre-tax income for 1989 was FML03bn on turnover of FM11.8bn. Turnover for

the eight months dipped from FM7.7bn to FM7.1bn. The company said demand for copper products weakened on many leading markets. This meant that more stringent

### Pirelli makes accusation on **Continental**

By Haig Simonian in Milan

PIRELLI, the Italian tyres and cables group which is trying to take control of Continental, the German tyres producer, has strongly accused Continental of misrepresenting its

In the latest salvo in what is becoming a growing war of words, Mr Andrea Travelli, Pirelli's finance director, denied that Pirelli had ever set out concrete terms for its

merger plan.
Rather than proposing a fixed price for the assets of Pirelli Tyre Holdings (PTH), the group's tyres subsidiary, Mr Travelli said Pirelli had suggested the question of valu-ation be left to independent

accountants.
Mr Travelli also rejected a claim by Mr Horst Urban, Continental's chief executive, that the proposal to acquire PTH's assets would saddle Continen-

assets would saddle Continental with huge additional debts.

Pirelli had "no intention to
push Continental into higher
borrowing," he said.

According to Mr Travelli,
Pirelli had made no suggestions as to how Continental
should finance the acquisition
of PTH's assets. "It seems sensent to 65 per cent of the sum cent to 65 per cent of the sum should be raised through shareholders funds," he

STORA INTERIM REPORT FOR THE EIGHT MONTHS ENDED AUGUST 31, 1990

• Profit after net financial items declined about 29 per cent to SEK 1,734 million (2,446)

• Earnings per share for the most recent 12 month period amounted to SEK 32.90 (1989: 41.50) • Feldmühle Nobel (FeNo) is included as a STORA Group subsidiary, effective May 1, 1990

 Profit for the full year is expected to be somewhat lower than anticipated in the interim report issued in June 1990

Gresp stracture

included in the STORA Group as a subsidiary. Formally, FeNo is included in the Croup's consolidated income statement only for the four month period May 1 to August 31. In order to retain meaningful figures for comparison purposes, earnings during this period are also reported excluding the acquisition of FeNo.

STORA Croup sales amounted to SEK 37,151 million (27,170). Excluding the effects of corporate acquisitions and dive made during the year, sales increased by approximately SEK 790 million, or slightly more than 3 per cent.

fit after net financial income and expenses decreased by SEK 712 million, about 29 per cent, to SEK 1,734 million (2,446). During the most recent 12 months, September 1989 to August 1990, profit per share! (after standard tax at 30 per cent) amounted to SEK 32.90 (SEK 41.50 for full year 1989). Extraordinary items totalling SEK 1,279 million reported the period were wholly due to capital gains on the sale of shares in Stora, Kemi. Extraordinary Items in the preceding year represented capital gains on the sale of shares in the subsidiary

Subsidiuries

Demand for forest industries products, generally, continues to be satisfactory, while the market for most of the Croup's construction-related product areas declined steadily.

Capacity utilisation in the European paper and board industry remained high. However, continued reductions in inventories and increased competition from North American manufacturers resulted in a reduction in the level of pulp deliveries. The intensified competitive situation was no primarily in the short-fibre pulp area, where compared with the preceding year, sales prices were down by 7 to 10 per cent. In the preceding year, sales prices were down by to to per cent in the long-fibred paper and fluff pulp sector, the competitive situation was more favourable, resulting in sales prices measured in Swedish Kronor declining only marginally. Against this background, profit for the pulp-producing units at Stora Ceil, Billerud, Papyrus and Stora News declined.

Through the acquisition of FeNo, the Croup is a net purchaser of pulp. This means, with a certain time lag, that the effect on profit of the reductions in pulp prices will be

effect on profit of the reductions in pulp prices will be

in the majority of the Group's markets in Western Europe, demand for newsprint and magazine paper increased. In Germany, the trend was particularly strong, with demand rising by around 8 per cent. However, increased supplies led to greater price competition across all market segments, resulting in derate price increases.

in Papyrus' principal area of operations, the fine papers segment, the market was also characterised by favourable segment, the market was also characterised by javourance demand but severe price competition.

The market for packaging papers and board continued to develop favourably, resulting in Billerud maintaining satisfactory levels of earnings and profitability.

Increased prices for electrical power and forest raw materials led to a substantial increase in profit for both Stora Power and The markets in Denmark, Norway and Finland, which are

important for Swedoor and Stora Kitchen, weakened further during the second four month period. However, demand in the Swedish market continued to be favorable. Lower construction activity and an increase in the number of competitors are resulting in reduced demand and more

With effect from May 1, 1990, Feldmühle Nobel AB (FeNo) is intensive price competition in most of Tarkett's markets and areas of operations.

With the intention of improving future profitability at Aberiund & Rausing an extensive restructuring programme is currently in progress, whereby substantial losses attributable to operations in the present year and in preceding years have been incurred. In addition, costs in connection with the restructuring of the carton units in Lund and Norrköping will continue

Feldmükle Hobel AG (Felle)

The West German market, in which more than 50 per cent of FeNo's sales takes place, remained strong. Profit after financial income and expenses! during the period January to August totalled SEK 1.011 million (1.035).

Profit improvements were reported in the Buderus and Dynamit Nobel groups. Profit at Feldmühle AC declined, mainly as a result of increased costs in connection with the start up of a new paper machine for production of LWC,

investments and acquisitions made in recent years are resulting in substantial rationalisation and synergistic gains. This is enabling the Company to implement an extensive rationalisation programme. As a result of this and of lower demand, the number of employees will be reduced by approximately 1,000 persons during the present year and by a further 2,500 in the period up to end 1991.

Forecast for 1990 Taking into account the uncertainty that prevails as a result of the current global political situation, STORA is electing not to make a precise full year forecast. However, the trend of profit is such, that profits for a number of the Group's operating areas are expected to be somewhat lower than anticipated in the interim report issued in June 1990.

Consolidated Income Statement & Months (SEK m)

	1990	1990	1989
		Estimated	Reported
	values '		values
		excl. FeNo	excl. FeNo
	May-Aug	May-Aug	May-Aug
INVOICED SALES	37,151	26,718	27,170
Operating expenses	-32,216	-23,050	-22,686
Share in profit of	•	-	,
associated companies	55	59	68
OPERATING PROFIT BEFORE			
PLANNED DEPRECIATION	4,990	3,727	4,552
Planned depreciation	-2,091	-1,443	-1,409
OPERATING PROFIT	2,899	2.284	3,143
Net financial items	-1.165	-668°	-697
PROFIT AFTER NET			
FINANCIAL ITEMS	1.734	1,616	2,446
Extraordinary income	-,,,,	4,010	2,.,0
and expense	1,279	1,279	180
PROFIT BEFORE			
APPROPRIATIONS AND TAX	3,013	2,895	2,626
Of which minority share	219	140	191

All of these Securities have been sold. This announcement a



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Cassa di Risparmio delle Provincie Lombarde - CARIPLO

Banca d'America e d'Italia Deutsche Bank Group Banco Ambrosiano Veneto Banco di Sicilia Crédit Commercial de France Dresdner Bank Aktiengellschaft J. P. Morgan Securities Ltd.

Paribas Capital Markets Group

BSI-Banca della Svizzera Italiana Banco di Santo Spirito Banque Bruxelles Lambert S.A. Crédit Suisse First Boston Limited Istituto Bancario Italiano S.p.A.

Morgan Stanley International

Salomon Brothers International Limited UBS Phillips & Drew Securities Limited

efforts were required to improve profitability.



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### INTERNATIONAL COMPANIES AND FINANCE

# Drugs sector shows robust | Campeau in | earnings and sales growth extend loan

THERE were no surprises from the pharmaceuticals sector yes-terday, with most of the big US companies posting robust growth in earnings and sales, in line with analysts' expecta-

But the industry's continued strength was not sufficient to support stock prices in a declining market, and most of the shares of companies which posted their results yesterday moved lower in morning trad-

Pfizer's third-quarter net income rose 12 per cent to \$243.3m or \$1.45 a share from \$217.5m or \$1.29 a year ago, on sales which were 14 per cent higher at \$1.64bn. Mr Edmund Pratt, chairman

and chief executive, said: "Our new pharmaceutical products have been very well received by the medical community.
While these products are still in the launch process worldwide, they already account for more than a quarter of our

pharmaceutical sales."

For the first nine months, Pfizer's net income grew 9 per cent to \$646.4m or \$3.85 a share from \$594m or \$3.52. Sales advanced 11 per cent to \$4.62bn from \$4.18bn.
Merck, the New Jersey drug

company that is noted for its growing stable of new products, reported a 19 per cent improvement in third-quarter net income and a 20 per cent gain in earnings per share.

For the three months ended September 30, Merck posted net profits of \$465m or \$1.19 a share against \$390.5m or 99 cents a year earlier. Sales advanced 17 per cent to \$1.91bn

### Deere to rein back production

DEERE & CO, the US farm equipment manufacturer, is to cut production of its agricul-tural machinery as a result of a 34 per cent drop in September retail sales in the industry, compared with those of a year

ago, Reuter reports.

Deere said it would reduce production schedules and shut some factories for one or twoweek periods. The aim was to avoid an inventory build-up and minimise workforce reduc-

Mr Hans Becherer, Deere's chairman, said declining domestic farm equipment sales and weaker results in Europe would result in lower sales and earnings for the fourth quarter ending October 31, compared with those of a year ago. How-

record earnings for the year.
The group earned \$5.06 a share in 1989, and some analysts were forecasting earnings of about \$5.90 a share for fiscal

Mr Becherer said that most of the shutdowns would occur in the first quarter, which would adversely affect firstquarter earnings but would make operations more efficient from \$1.63bn. Income before taxes grew 17 per cent to \$691m from \$592.1m. For the first nine months,

Merck's net income rose 18 per cent to \$1.34bn or \$3.42 a share from \$1.13bn or \$2.85 the previ-ous year. Sales grew 16 per cent to \$5.57bn from \$4.79bn.

Merck said its sales growth in the nine months was led by newer products, while its earnings growth came from strong unit volume, better product mix, cost controls, improved productivity and a lower tax

Eli Lilly, which is facing litigation over its Progac anti-depressant drug, had third-quar-ter net income of \$256.8m, up 21 per cent from \$212.4m a year earlier. Earnings per share grew 23 per cent to 90 cents from 73 cents. Sales were \$1.28bn against \$991m. The Indiana-based company

said operating expenses rose at a slower rate than sales growth in the quarter, resulting in a 40 per cent gain in operating

For the first nine months, Lilly's net income rose 22 per cent to \$872m from \$714.2m. Earnings per share were \$2.99 against \$2.45. Sales advanced 24 per cent to \$3.75bn from \$3.03bn.

American Home Products, whose pharmaceuticals busi-ness is suffering from a dearth of new products, turned in net income of \$317.6m or \$1.01 a share, up 13 per cent from \$278.2m or 89 cents a year ago. Sales slipped 2 per cent to \$1.74bn from \$1.77bn. Income before taxes rose 4 per cent to \$429.1m from \$412.4m.

For the first nine months, net income increased 13 per cent to \$902.4m, including a net gain of about \$73m from the sales of the company's house-hold products businesses, from \$797.8m a year ago. Earnings per share grew 12 per cent to \$2.87 from \$2.56 on sales which rose 1 per cent to \$5.16bn from \$5.11bn. Income before taxes improved 2 per cent to \$1.41bn

from \$1.17bn. American Cyanamid had net income of \$94m or 99 cents a share against \$61m or 65 cents a share against \$61m or 65 cents the previous year. However, earnings were distorted by the sale of the company's household products business, which brought a net gain of \$248m or \$2.59 a share. This was partly offset by one-time charges. offset by one-time charges adding up to about \$206m or \$2.15 a share.

For the first nine months, Cyanamid had net income of \$296m or \$3.10 a share against \$254m or \$2.71, on sales which rose 7 per cent to \$3.4bn from \$3.2bn. Earnings from continuing operations plunged to \$51m or 54 cents a share from \$227m or \$2.42.

Warner-Lambert said its net income in the third quarter rose 17 per cent to \$125m from \$107m, while earnings per share, which have been restated to reflect a two-for-one stock split in May, increased 18 per cent to 93 cents from 79 cents. Sales advanced 7 per cent to \$1.19bn from \$1.1bn.

For the first nine months, Warner-Lambert's net income rose 18 per cent to \$379.6m from \$320.4m; earnings per share rose 19 per cent to \$2.83

# Software publishers note opposing trends

By Louise Kehoe in San Francisco

puter software, reported con-trasting results for their latest fiscal quarters yesterday.

\$49.6m or 43 cents. Its revenues were ahead by 57 per cent at \$369.4m, compared with \$235.2m in the same period a year ago.

computers with many of the ease of use features associated with Apple's Macintosh personal computers. In contrast, Lotus said revenues grew only slightly in the quarter and net income declined.

The company also announced a plan to repurchase up to 5m shares of its outstanding common stock, or approximately 12 per cent of its

43m shares outstanding.
Net sales for the third quarter totalled \$157.4m, a 2 per cent increase over sales of

decrease from net income of

to \$498.1m from \$406.1m.
Net income climbed 42 per cent to \$54.8m or \$1.27 per share, from \$38.5m or 92 cents

by the transition to a new version of Lotus' primary product, the Lotus 1-2-3 spreadsheet pro-gram, the company said.

# talks to agreements

By Robert Gibbens

CAMPEAU CORPORATION, the struggling property and retail giant, says temporary standstill arrangements covering nearly US\$700m in loans ran out at midnight on Monday, but that negotiations continued for new agreements.

The Edward DeBartolo Correction of the IIS had lent

The Edward DeBartolo Corporation of the US had lent US\$480m to Federated Department Stores, one of two big US retail chains acquired by Campeau two years ago. The loan was guaranteed by Campeau

After Federated and Campeau defaulted on the loan, DeBartolo agreed this year not to seize collateral without giv-



Robert Campeau: founder no longer in charge

ing nine days' notice. This nent ran out on Monday and DeBartolo says it will not

be extended.

A similar arrangement covering C\$225m (US\$196m) lent to Campeau Corp by the Reichmann Brothers' Olympia & York Developments has run out. This loan is secured on Campeau Corp's Canadian property portfolio. O&Y has three seats on the Campeau board following the latter's default on the loau.

The DeBartolo loan is

The DeBartolo loan secured on Federated and Allied Stores group assets. But these retail chains are reporting continued heavy losses, and have until February 28 1991 to file reorganisation plans designed to take them out of Chapter 11 bankruptcy. Ralphs Grocery is the only part of the retail group to report favourable results in the first half of 1990.

Campeau Corp, no longer controlled by founder Mr Robert Campeau, says it will continue negotiations with DeBartolo for a standstill agreement covering the US\$480m loan, at the US company's request.

A Campeau official in
Toronto said negotiations
would also continue for an agreement with 0&Y. Cam-

pean has sold property worth just over US\$200m this year. O&Y and two Canadian banks will take the proceeds as partial repayment on loans. A poor North American conomy is hampering Cam-eau's survival

# GE ahead as long-cycle businesses remain buoyant

GENERAL ELECTRIC, the diversified US manufacturing and services group, yesterday reported a 9 per cent increase in third-quarter net earnings, with strong growth in capital goods divisions more than offsetting softness in consumer products.

Net earnings totalled \$1.03bn, up \$81m from the third quarter last year, on consoli-dated revenues of \$14.2bn, ahead 9 per cent from \$13bn last year.

Earnings per share rose 12 per cent, to \$1.16 from \$1.04, helped by the company's 5-year, \$10bn programme to repurchase its shares.

Mr Jack Weich, the chairman, said both the weakening economy and the Middle East crisis had dampened GE's crisis had dampened GE's short-cycle businesses, such as

lighting and plastics. But "short-cycle slowness

By Barbara Durr in Chicago

GTE, owner of the largest

non-Bell telecommunications system in the US, reported

earnings per share up 11 per cent in the third quarter to 59 cents, compared with 53 cents for the year-ago quarter.

The earnings per share for both periods reflect the two-for-one stock split that became effective last May 23.

Consolidated operating income invested 148 per cent to

income jumped 14.8 per cent to 912m in the third quarter, up

from \$794m a year ago and net income increased 11 per cent to \$409m from \$368m last year. Revenues and sales rose 5 per cent to \$4.6bm, up from \$4.4bm

in 1989. GTE chairman, Mr James

"Rocky" Johnson, said he was especially pleased with "these excellent results" in the

strong earnings in aircraft engines, power systems and medical systems, reflecting higher revenues and continued productivity gains".

Mr Welch said the strong momentum in orders for long-cycle businesses was continu-

New power generation orders for the third quarter totalled \$900m, bringing the total for the first nine months to nearly \$3bn. Aircraft engine orders of

\$6.4bn for the first nine months were 13 per cent ahead of those in the period last year, bringing the backlog to \$14.1bn, compared with \$13.3bn at the end of last year. Mr Welch said: "Despite the

current global uncertainty, GE
- with record operating mar-gins, record productivity and continued strength in long-cy-cle businesses — expects 1990 to be the fourth straight year

GTE earnings per share up 11%

current difficult economic

over the last three years to reduce costs and raise quality and efficiency have finally begun to generate positive

begun to generate positive financial returns.

Wall Street appeared unimpressed, however.

GTE shares were down % to 27% in mid-morning trading, partly on doubts over plans to buy Atlanta-based Contel Corp.

GTE based in Stamford.

GTE, based in Stamford, Connecticut, is awaiting approval for its agreement to buy Contel, which is subject to approval by shareholders of both companies as well as

regulatory agencies. Special shareholder meetings

are expected to be held in December.

Ford, Mazda and Sanyo in deal

He said that GTE's efforts

returns fall of a double-digit increase it By Martin Dickson earnings per share."
In the services sector, GE Financial Services reported net earnings 19 per cent ahead of last year, led by GE Capital, which continued its portfolio

growth. Broadcasting, through the NBC subsidiary, had slightly

NBC subsidiary, had slightly reduced operating profits and revenues, primarily because of market softness.

Among short-cycle businesses, the materials division suffered substantially reduced operating profits, despite increased revenues. This was due to the impact of higher oil product prices on raw materials costs for GE's plastics operations.

Appliances such as washing machines and refrigerators saw revenues little changed but much greater operating profits, due mainly to strong productivity gains.

If approved, the merger will make GTE the largest US local

telephone exchange company and second largest cellular telephone operator.

The deal, announced in July, has had a lukewarm reception

This comes in part because of general wariness about

cellular phone business in a recessionary economic climate and because the merger will dilute earnings by at least 10

Earnings will be further

diluted, by an estimated 3 per cent, following the \$710m acquisition on October 4 of the

Providence Journal's cellular

properties. But GTE appears to be determined to position itself in what it believes is a good

and growing market.

with investors.

**Polaroid** 

net rises but

POLAROID, the instant

operating

rose to \$31.3m from \$29.9m.
Earnings per share were 42
cents against 40 cents.
US sales were down 6 per
cent, while international sales
rose by 27 per cent, helped by
strong revenues in Europe and
the weaker dollar. Worldwide
unit sales of cameras, instant
film, conventional film and
videotape increased.
However, increased margies
were more than offset by sub-

the year the company still expected operating profits to be flat or moderately down from 1989, due to the uncer-tainties of the US business cilmate and continued invest-ment in product development.

### Abitibi-Price in loss for quarter after mills strike

settled and the mills have just resumed operations.

The loss compares with profits of C\$13.6m or 18 cents a

Sales were slightly lower at C\$2.3bm, against C\$2.5bm.

The latest period includes a C\$42m special restructuring

Canadian dollar against the US currency.

MICROSOFT and Lotus Development, the two leading publishers of personal com-

While Microsoft recorded a 77 per cent increase in net income, Lotus suffered a 63 per

Microsoft pushed up net income for its first quarter to \$87.6m or 71 cents a share from

pleased with the strong demand for Windows 3.0 and applications products for the Windows 3.0 environment during the quarter," said Mr Michael Hallman, president and chief operating officer,
Windows 3.0 is a program that provides IBM-compatible computers with many of the

\$153.9m in 1989's corresponding Net income totalled \$8.6m or 20 cents a share, a 63 per cent

For 1990's first nine months, Lotus' revenue rose 23 per cent

per share. Results were badly affected

### FORD of the US, the world's 1989, and this trend was likely future there would be to continue over the next

By Kevin Done, Motor Industry Correspondent

second largest car maker, is to establish a joint venture in Asia with Mazda, its Japanese associate and Sanyo, the Japanese electronics group, to design, develop and manufacture automotive autio

The venture will have a manufacturing plant located in Malaysia, and radios from the new venture will be used primarily in vehicles produced and sold in the Asia-Pacific

Mr Harold Poling, Ford chairman and chief executive, said that there had been a "phenomenal" growth in automotive electronics in

The value of electronic components in the average US car had doubled from 1984 to

"By some estimates, by the year 2000 the value of electronics for the average car will reach about \$2,000 - up from the current \$1,000 - representing more than 10 per cent of the car's retail price,

said Mr Poling. The fastest growth would be in the areas of chassis electronics, and safety and environmental control

The consumption of semiconductor components by the auto industry was expected to nearly double in the next decade despite the fact that the worldwide market for cars and trucks was forecast for only

modest growth.

Mr Poling said that in the

increasingly sophisticated communication between cars and satellites and between cars and the cellular phone network. Fax machines and personal computers would be

integrated into vehicles.
"We'll see true collision avoidance systems with computers reacting many times faster and more skilfully than the most proficient

human driver."

At the same time cars would use advanced navigation systems to provide continuous estimation of a car's location and offer driver route guidance. "With the aid of computer-vision applications cars will be able to identify image characteristics and virtually drive themselves," he

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OCTOBER 1990

(Incorporated with limited liability in the Republic of Finland)

¥4,000,000,000

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US\$100,000,000

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Agent: Morgan Guaranty Trust Company

NOTICE TO THE HOLDERS OF NHGATA ENGINEERING CO., LTD. U.S. \$38,600,000 7% per cent, Convertible Bonds Due 1996 (the "Bands")

Pursatant to Clause 5(c)(iv) of the Terms and Conditions of the Bonds and Section 12(A) of the Trust Deed dated December 18, 1380, notice is bereby given as follows:

1. At a meeting on September 25, 1990, the Board of Directors of the Company resulved to issue U.S. \$150,000,000 5 per cent. Goaranteed Notes Dee 1994 with Warrants on October 2, 1980 with the initial substruction price of Yes 556 per share.

2. Accordingly, the companion with the first of the conditions of the companion of the co

Dated: October 17, 1990

### SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE 33, BOULEVARD PRINCE HENRI

FIDELITY DISCOVERY FUND

At the Annual General Meeting held on August 30, 1990, it was decided to pay a dividend of USD 0.17 (17 cents) per share on or other October 22, 1990 to shareholders of record on October 1, 1990 and to holders of bearer shares

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This announcement appears as a matter of record only.

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> > Provided by

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Banque Nationale de Paris and by Deutsche Bank Luxembourg S.A. Dresdner Bank Union Bank of Switzerland

Bank Brussels Lambert Banque Française du Commerce Extérieur Den norske Bank NMB Postbank Groep N.V.

POLAROID, the instant photography company, reported a 5 per cent rise in net earnings for the third quarter but operating profits down by the same amount.

The figures followed Friday's court ruling that Eastman Rodak must pay Polaroid \$90.5m in damages and interest for infringing its instant photography patents. However, the award was lower than the markets expected.

The company said third-The company said thirdquarter sales were \$463.7m, up 6 per cent on the same period last year, while net cerwings rose to \$31.3m from \$29.9m.

were more than offset by sub-stantially higher marketing expenses, leading to the 5 per cent drop in operating profits. But lower interest expenses meant that pre-tax profits rose

from \$42.3m to \$43.5m.
Mr L MacAllister Booth,
chief executive, said that for

# By Robert Gibbens

ABITIBI-PRICE, the big pulp and paper group controlled by the Reichmann family of Toronto, reported a C\$790,000 (US\$614,000) loss in the third quarter, partly because of a strike at seven of its

The strikes have since been

share a year earlier.
Sales fell to C\$756m against
C\$816m.
For the first nine months,
Abitible recorded a loss of
C\$15.7m or 25 cents a share,

compared with a profit of C\$68.7m or 92 cents a year car-

charge. Abitibi also blamed soft markets for most paper prod-ucts and the high level of the

This announcement appears as a matter of record only.



# KANSALLIS-OSAKE-PANKKI

Floating rate subordinated

In accordance with the provisions of the notes, notice is hereby given that for the Interest period 17 October 1990 to 17 January 1991 the notes will carry an interest Rate of 8½% per annum. Interest payable on the relevant interest payment date 17 January 1991 will amount to US\$217.22 per US\$10,000

note and US\$1,086.11 per US\$50,000 note.

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### INTERNATIONAL COMPANIES AND FINANCE

# Kumagai Gumi to reduce its **US** operations

By Robert Thomson in Tokyo

KUMAGAI Gumi, the Japanese be used to fund new developconstruction company, said yesterday that its US operations will be reorganised to reduce the foreign share of its business and to concentrate on the more incrative domestic

in an unrelated development yesterday, the company was raided by about 100 officials of Japan's Labour Standards Bureau, which is investigating the collapse in January of a Tokyo railway tunnel under construction by Kumagai Gumi and its sub-contractors.

The raid adds to an already awkward year for Kumagai Gumi. The company has admit-ted that foreign operations have become less profitable and that it will sell Y1,125bn (\$8.3bn) of overseas properties over the next five years, while its reputation has been hurt by the Tokyo tunnel accident. Company officials said yes-terday that eight companies established in the US would be

brought under the authority of the Dallas-based Kumagai International USA, which will attempt to streamline US A company spokesman denied a Japanese press report that the reorganisation is to be undertaken simply to enable the company to organise the rapid sale of US property hold-ings, estimated at Y230bn, as

part of its promised international sell-off. He said the sell-off plans, announced in June, have not been changed, and "we are not in a hurry". The point of the sales is "to reduce the time that we keep properties because we are just a devel-

oper", while the proceeds will

Kumagai's affiliates and subsidiaries in the US include KG Land New York, which lodged a bankruptcy filing for a joint venture company, Americas Tower Partners, after Kuma-gai's partner in a 48-storey Manhattan property venture failed to furnish its share of

the necessary finance. While the failure was not Kunnagai's fault, the problems highlighted a danger of the company taking an active financial role in projects, and drew attention to its policy of maintaining a large property portfolio of its own.

Other Kumagai companies in the US include KG Construction, KG Land California Corporation, and Kumam Corpora-tion, all based in Redwood City, California, and KM Con-struction in New York, as well as two Hawaiian companies, KG (Hawaii) Corporation and

inmagai Properties Inc. As for the investigation into the tunnel collapse, a company spokesman expressed surprise at the use of 100 Labour Standards Bureau staff, although Japanese government departments sometimes punish companies with embarrassing media coverage of large raids. The Labour Ministry, which

controls the bureau, vesterday announced the investigation was the largest ever conducted, and will focus on the allegation that Kumagai Gumi or its subcontractors, were negligent in their work on the tunnel.

Kumagai Gumi said that the company "has fully co-operated with the bureau", and "we don't know why they have taken this strong action".



Province de Québec Floating Rate Notes Due 2001 836% реселения Interest Amount due 17th April 1881 per U.S. 8 10,000 Note U.S. 8 . 410,76 per U.S. 8250,000 Note U.S. 810,289.70 Credit Sulme Piret Boston Limited

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Landon, Agent Bank

7 Ruic D'Arcuberg. B-1000 Brussels.

# OTICE OF REDEMPTION

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NOTICE IS HEREBY GIVEN THAT Hydro-Quebec will redeem on 20th Novemb 1990 the Cans 79.772,000 debentures omstanding for the 127,% Debentures Series FJ, due 29th September, 1993 at a price of 101% of the principal amount together with interest on such principal amount accrued and unpaid to the said date of

The redemption price on the said Debentures shall be payable on presentation and surrender thereof with all unmatured coupons at any one of the following Paying

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Dated: 17th October, 1990

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CITICORP Notice is hereby given that the Rate of Interest has been fixed at 8.125% and that the interest payable on the relevant interest Payment Date, January 17, 1997, against Coupon No. 43 in respect of US\$10,000 nominal of the Notes will be US\$207.64.

October 17, 1990, London By: Calbank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

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### Telecom Australia at A\$1.29bn

TRLECOM Australia, the state-owned communications company soon to face private competition, posted a A\$1.29bn (US\$1bn) operating profit in the year to June, Reuter reports from Sydney. The result was 32 per cent above its 1988-89 profit of

A\$973.1m, the company said. Revenue climbed to A\$8.88bn from last year's A\$7.98bn. The year was the first in which the company operated as a corporation and not a government bureaucracy, but it did not pay tax, which it will do in the financial year of 1990-91. Had tax been paid, the 1989-90 net profit would have

been A\$787m. Australia's Labor government said in September it plans to merge Telecom with OTC, the state-owned overseas communications company, and allow it to compete with a pri-vate consortium in all domestic and international net-

In the year to June 30 1990, OTC recorded a net profit of A\$152.45m on revenue of A\$1\_52hn\_ Telecom's result makes it Australia's biggest profit earner, exceeding the A\$1.1bn profit of Broken Hill Proprietary in the year to June.

### Rand Mines moves to profit on gold By Philip Gawith in Johannesburg gold price of R32,172/kg for the

A SIGNIFICANTLY improved performance at the ERPM mine, following the sale of some sand dumps and slime dams, allowed Rand Mines' gold division to show a small profit in the September quarter following a large loss in the previous quarter.

The five mines - Harmony, Blyvooruitzicht, Durban Deep, ERPM. and Barbrook - produced 12,155kg of gold, against 12,318kg in the June quarter, to show an after-tax profit of R1.95m (\$780,000) following a R16.7m loss in the previous three months. The group did well to restrict the rise in the average underground cost per kilogram of gold produced to only 1.89 per cent, but at R33,869/kg, against R33,242/kg, this was still above the average

SHAREHOLDERS in Agricola

Resources, set up in 1986 to buy and operate farms and

orchards, were told yesterday

their shares were valueless.

They also heard the company

incurred a NZ\$11.24m (US\$7m)

loss in the year to June. Last year it lost NZ\$7.26m.

It has been under pressure to

rationalisation programme, and underground grades improved significantly from 3.9 The equipping of the Far Shares in Agricola Resources 'now worthless' By Terry Hall in Wellington

clear its debts, from its main creditor DFC New Zealand, the collapsed bank in statutory management. Agricola was a sizeable investment by DFC, with a 72 per cent sharehold-

The three mines to make a profit were ERPM, Blyvoor and Durban Deep, ERPM, recently

saved from closure by the find-

ings and recommendations of the Melamet Commission, did

best turning an after-tax loss of

Although the mine did well to reduce its working loss from Ri6.3m to R5.03m, the boost came from the R26.1m recouped through the disposal of the climater and conduct the state of the climater and conduct the climater and

of the slime dams and sand

dumps. Working costs were

down to R47.8m from R60.6m, reflecting the effects of the

R24.8m into a R12.6m profit.

ing.
Yesterday Agricola said it
had sold all its assets, but had
not cleared its debt. In March

this was NZ\$8m. Latest accounts show liabilities at NZ\$5.8m, and negative share-holders funds of NZ\$1.45m.

lies, has begun. Blyvoor and Durban Deep both produced marginally more gold in the quarter, 2,224kg and 870kg respectively, to record after-tax profits of R3.18m and R2.9m.

The largest mine in the

group, the highly marginal Harmony, suffered from labour

unrest in the quarter and

R11.6m having more or less broken even in the previous

7,268kg.
The fledgling Barbrook mine

Revenue for the year to June was NZ\$24.28m compared with NZ\$13.51m. DFC's statutory manager

placed Agricola's main asset, New Zealand's largest kiwifruit

East Vertical shaft, which is els A new mining plan is being where the future of the mine prepared and the mine's financial position is being reas-

All the mines, except ERPM, have sold significant portions of their production forward as far as the third quarter of 1991 at prices between R34,000/kg

and R37,800/kg.

Withank Colliery, the coal arm of Rand Mines, suffered recorded an after-tax loss of the effect of reduced export shipments to record a 13 per cent decline in after-tax profit quarter. Underground fires at to R50.6m (R58.4m) in the Septhree different shafts also con-tributed to gold production dropping from 7,505kg to tember quarter. Offsetting the reduction in export tonnage and lower domestic demand was a substantial increase in offtake by electricity supplier also underperformed as a Eskom for operational requireresult of labour unrest and grades below anticipated lev-

> orchard, in receivership in August. It was sold for less than a third of its government valuation of NZ\$5.7m.

Other assets sold recently include an angora goat stud, a goat farm, alpaca and llama herds, an abattoir and an investment in a salmon com-

Abarnate directors: P.W.J. Coonen, P.E. Gesener, P. McKenne, J.C. Sutherland

17 October 1990

### **Telekom** Malaysia goes well

By Lim Siong Hoon in Kuala Lumpur

TELEKOM Malaysia, the nation's telecommunications monopoly, overcame bearish sentiment on the domestic stock market to draw applications totalling M\$1.5bn (U\$\$555m), or double the M\$740m it had aimed to raise from its public flotation. The issue of 147.9m shares, out of 470.5m shares eventu-

ally to be divested, is 7 per of its share capital.

Support was bolstered by relaxing a government edict and so allowing insurance companies and merchant banks to take part.

Allotment for the shares, increal at MSS such was com-

issued at M\$5 each, was com

pleted yesterday.

The government aims to raise nearly M\$2.5bn in selling 25 per cent of the group. However, half of the new shares are placed with state institu-

Telekom's sale has been carried out at the same time as campaigning for the country's general election. In the governing party's campaign, it used its widespread privatisation programme as an example of a new economic order it



All companies mentioned are incorporated in the Republic of South Africa. All financial figures for the quarter and progressive figures for the current year to date, including Rate of exchange on 30 September 1990: R1,00 = £0,21, £1,00 = R4,96.

### Development results given are the actual sampling results. No allowance has been made for ary in the valuation of the corresponding ore reserves. Shereholders requiring copies of these reports regularly each quarter, should write to The Secretaries, Anglo-Transvasi Trustees Limited, 295 Regent Street, London W1R 8ST. Eastern Transvood Hotebessionen Prieska Copper Mines Limited - Continued Gold Mining Co Lid Consolidated Mines, Lid Reg. No. 01/08442/06 issued capital: 86 333 560 shares of 2,5 cents each Issued capital: 112 000 000 shares of 10 cents each (1 058) 2 372 er ended 30 June 1990 1 314 1 468 81 100 785 9,7 308,63 218,56 90,27 31 906 22 5306 25 046 17 725 7 321 (154) Profit/(loss) afterta (737) 377 300 757 000 3 219 000 Net capital expenditure/ 757 000 6 874 9,1 263,87 212,86 71,01 31 261 23 441 7 820 214 892 161 135 53 757 <u>(3 436)</u> <u>50</u> 9.5 314,70 170,76 143,94 32 737 17 763 14 974 118 737 64 426 54 311 522 Despatches, which vary from quarter to quarter, are brought to account at their estimated receivable value. Operating profit takes into account adjustments following final price determinations on despatches made during previous quarters. Capital expenditure There were no outstanding commitments at 30 September 1990 (30 June 1990: Nil). Financial results Working profit—gold mining. Non-reining income. For and on behalf of the board D.J. Crowe Directors R.A.D. Wilson Directors: D.J. Cross (Chairmen), I.L. Benfield, B.J. Funston, J.J. Geld B.E. Hessoy D.M.S., Cilve S. Menell, G.J. Robbertze, R.A.D. Wilson Alternate directors: 1.1. Geldenhuys, G.I. Robbertzo 17 October 1990 Capital expenditure. 18 691 Lordne Gold Mines, Ltd 30 831 47 427 8 168 10 474 13 179 <u>35 957</u> Reg. No. 05/39138/06 3 219 000 340 605 0,11 789 000 81 357 0,10 1 678 7302 1 986 2 845 0,11 Financial results Working profit—gold mining....... (Loss) from sales of uranium oxide and sulphuricacid... **R000** 77 215 R000 384 205 378 000 1 920 5,1 162,78 172,78 172,78 32 046 34 000 (1 954) 61 629 65 280 (3 751) 367 000 1 801 4,9 162,38 179,40 (17,02) 33 089 36 557 (3 458) 59 583 65 839 (6 246) 1 535 000 7 726 5.0 (3 080) 10 826 955 72 096 (16 825) 49 622 4 366 421 365 ranemore: The profit before taxation includes results of hedging transactions. Hedging transactions As at 30 September 1990 the Company had sold portions of its future gold 1 116 920 4 586 Quarter ending Kg of gold sold Profit before taxation and State's share of profit...... Taxation and State's share R33 449 R34 684 R35 851 31 December 1990 31 March 1991 84 929 416 779 70 980 share of profit..... on and State's share 30 June 1991 30 September 1991 46 462 <u>243 969</u> 36 4<u>44</u> R000 (6 246) 256 4 600 R37 037 **R000** (9 363 1 676 16 708 (3 751) Profit after lexition and The dollar proceeds from the above sales have been covered by forward 34 536 38 457 172,810 323 3406 Dividend Final dividend No. 80 of 200 cents per share, declared in May 1990, was paid in 22 381 8 247 6811 Interest paid, stores adjustment 422 1 588 258 1 323 2 081 145 600 169 549 Driffing programme The board has authorised expenditure of R5,1 million on an initial drilling programme to determine the nature and extant of nickel — copper — platinum group metal mineralization on the farm Staathoek No. 540, registration division JT, situated in the eastern Transvaal, in respect of which all the mineral rights and mining title are owned by the Company. 148 6 792 3 444 3 348 (1 648) (499) (1 149) 6 669 (Loss)/profit before taxation (182 (Loss)/profit after texation 10 288 10 585 44 796 Advanced Sempling results on Vaal Reef Sempled Channel width Channel value – gold 2413 1 903 <u>69</u> 1 972 239 6 763 It is estimated that this programme will be completed towards the end of 1991. Capital expenditure There were no outstanding commitments at 30 September 1990 (30 June 1990; Ni). 29 877 5 5 1 2 7 167 tok ebbo mulnaru – For and on behalf of the board R.A.D. Wilson Directors D.J. Crowe 538 115 6,9 791 In terms of the Compeny's articles of association, the directors' borrowing powers are limited to R50 000 000. At 30 September 1990 borrowings totalled R5 882 000 (1999: R7 159 000), of which long-term borrowings amounted to R4 421 000 (1999: R6 046 000) and short-term to R1 461 000 (1989: R1 113 000). Directors: R.A.D. Wilson (Chairman), D.J. Crowe, J.J. Geldenh Citye S. Menell, G.J. Robbertze, J.E. van Nickerk Alternate director: B.J. Function 232 9 81,6 718 1 692 80,5 692 Consolidated Murchison Lid Hedging transactions As at 30 September 1990 the Company had sold portions of its future gold production as detailed below: Forward price per kg sold 1 835 107 7,4 795 Kg of gold sold Quarter ended 30 Sept 1990 1 866 1 886 1 866 1 866 R33 449 R34 689 R35 859 \$1 December 1990 31 March 1991 30 June 1991 30 September 1991 Total - all reet 5 919 82 8,4 688 1 116 1 152 **R000** 3 557 5 061 47 Financial results The dollar proceeds from the above sales have been covered by forward ex-Dividend Final dividend No. 89 of 65 cents per stare, declared in May 1980, was paid in on a gold price of P32 500 8 665 9 009 33 722 39 966 Total mining revenue. Cost of sales..... Capital expenditure Outstanding commitments at 30 September 1990 are estimated at R9 139 000 (30 June 1990: R9 783 000). 1 117 000 2 200 000 4 093 000 Tonnage...... Stoping width.....cm Value......9/ 1 264 (5 000) 1 427 For end on behalf of the board (Loss)/profit before taxation . Directors (397) (6 427) Not included in the Eldorado Reefs are mas ed to contain a otal of 357 000 tons at an average grade of 5,5 g/t. Directors: B.E. Hassov D.M.S. (Chelman), B.L. Bernstein Hon. I.L.D., D.J. Crosse, A.J. Field, J.J. Geldenhuys, L. Hesritt, G. Maude, Clive S. Manell, C.L. Sunter (Loss)/profit after taxation (397) (6 427) The profit before taxation includes results of hedging transactions. Interms of the Company's articles of association, the directors' borrowing powers are limited to R35 000 000. At 30 September 1990 borrowings totalisd R4 776 000 (1989: R5 278 000), of which long-term borrowings amounted to R4 508 000 (1989: R5 041 000) and short-term to R258 000 (1989: R5 277 000). Aburnate affective P.J. Eisteck, K.M. Holding, T.C. Rose, G.J. Robbetze, P. Tajkard, J.E. van Nelsenk, R.A.D. Wilson 4 179 4 179 17 October 1990 The rationalisation programme which was implemented on 1 July 1990 resulted in both the ore milited and aritimony concentrate production for the quarter being some 20 per cent below that of the previous quarter. Gold production, however, declined by only 4 per cent due to an improvement in the average head grade. Hedging transactions As at 30 September 1990 the Company had sold portions of its future gold senduction as detailed below: Forward price Piteske Copper Mines Lid Forward price per kg sold The 11 per cent drop in antimony sales revenue reflects what is believed to be a seasonal stackening in demand for concentrate consequent upon the traditional summer holiday period in the northern hemisphere. The 4,5 per cent increase in cost of sales is largely attributable to non-recurring costs relating to the relocation/retrenchment of 353 employees. Kg of gold sold Quarter ending Pag. No. 68/09032/06 lesued capital: 54 000 000 shares of 50 cents each Quarter anded 30 Sept 1980 R35 901 R37 095 30 June 1991 The dollar proceeds from the above sales have been covered by forward exchange contracts. Capital expenditure At 30 September 1990 there were no outstanding commitments in respect of capital expenditure (30 June 1990: R178 000). Capital expenditure Outstanding commitments ( (30 June 1990: R864 000). Operating results Ore milled nts at 30 September 1990 are estimated at R331 000 402 000 431 000 1 607 000 For and on behalf of the board Low-grade surface material. M.W. Hawarden Directors 1 093 600 513 400 For and on behalf of the board Concentrates produ Directors: M.W. Hawarden (Cheirman), R.A.D. Wilson (Deputy Cheirmen), V.G. Bray, W.D. Clough, D.J. Crowe, M.J. Dumpleton, B.E. Hersov, D.M.S., G.J. Joniter, Give S. Menell Directors: D.J. Crowe (Cheirmart), P.J. Eustace, J.J. Geldenhuys, B.E. Hersov D.M.S. L. Hewitt, G. Maude, Ciné S. Menell, J.E. Olivier, S.W. ven der Colf, R.A.D. Wilson 13 334 25 380

Attenuate directors: J.H.J. Burke, B.J. Punston, B.J. Lawrenson, T.C. Rees, G.J. Robber K.A. West

TO THE HOLDERS OF

### **EBC AMRO TRADED CURRENCY FUND LIMITED**

### **INCOME SHARES IN CONTINENTAL DEPOSITARY RECEIPT FORM**

The Directors of the above fund have declared the following interim dividend per share for the financial period ended 30th September, 1990, payable on 31st October, 1990 in respect of shares in issue on 30th September, 1990:-

US Dollars 0.3828 per share against coupon No. 13.

Shareholders should send their coupons to Amsterdam Depositary Company N.V., Spuistraat 172, 1012 VT, Amsterdam.

> EBC Trust Company (Jersey) Limited Secretary

> > Dated: 17th October, 1996.

### U.S. \$100,000,000

### **B.B.L.** International N.V.

Floating Rate Notes Due 1999 Guaranteed on a Subordinated Basis as to payment of principal and interest by

### BBL

Banque Bruxelles Lambert S.A./ Bank Brussel Lambert N.V.

Interest Rate Interest Period 85/6% per annum 17th October 1990 17th April 1991

Interest Amount per U.S. \$5,000 Note due 17th April 1991

> Credit Saisse First Boston Limited Agent Bank

### NOTICE

### To the Holders of

### Bond Finance International

U.S. \$200,000,000 5% per cent.

**Guaranteed Subordinated Convertible Bonds due 1997** Unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds issued by, and with conversion rights into ordinary shares of,

### **Bond Corporation Holdings Limited**

NOTICE IS HEREBY GIVEN to the holders of the above-mentioned Bonds that, at the adjourned Meeting of such holders convened by the Notice of Adjourned Meeting published in the Financial Times and the Luxemburger Wort on 13th September, 1990 and held on 27th September, 1990, the following Extraordinary Resolution set out in such Notice was duly passed by the requisite majority:—

was duly passed by the requisite majority:

"That this meeting of the holders of the U.S. \$200,000,000 5% per cent. Guaranteed Subordinated Convertible Bonds due 1997 (the "Bonds") of Bond Finance International (the "Issuer"), unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion Bonds (the "Conversion Bonds") issued by and with conversion fights into Ordinary Shares of, Bond Corporation Holdings Limited (tine "Guarantor and Bankers Trustee Company Limited (the "Rust Deed") dated 9th July, 1987 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Rust Deed") dated 9th July, 1987 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Rustee"), hereby:

(i) waives and authorises any breach or proposed breach by the Issuer or the Guarantor of the coverant by the Guarantor outsined in Clause 11(C) (iii) of the Trust Deed that may arise as a result of the sale by the Guarantor of 50 per cent. of the issued ordinary share capital and all of the issued preference share capital of Bond Brewing Holdings Puly 1988 have particularly set out in the Information Memorantorum dated 17th August, 1980 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting) (or such terms as from time to time modified or amended (including by way of novation to a different purchaser of the agreement relating to such sale) provided that the Guarantor shall have procured that its sucitors for the time being shall have certified to the Trustee in form and manner acceptable to the Trustee that any such modification or amendment or novation shall have no greater impact on the ability of BBH or any of its subsidiaries to make payments or otherwise to make amounts svaliable to the Guarantor than the terms of the proposed sale more particularly described in the Information Memorandum and shall not include any material change in the holders of the Bonds. the Conve

urchase price or guant sale); mactions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the olders of the Bonds, the Conversion Bonds and the coupans relating to the Bonds against the issuer or the turnation involved in or resulting from the breach or proposed breach referred to in paragraph (i) of this

Resolution; and support the Guarantor and the Trustee to concur in, execute or do any document, act or thing suborises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing secretary to give affect to this Extraordinary Resolution and authorises the Trustee to provide any formal consent or approval necessary to enable the sale as referred to in (f) above to proceed."

Pond Finance international Dated 17th October, 1990

U.S. \$210.12

Scandinavian Finance B.V. US\$60,000,000 Floating rate serial notes

due 1993 basis by Scandinavian Bank Group plc

For the six months 17 October 1990 to 17 April 1991. The rak of interest has been fixed at 8½ per cent and the interest payable on the relevant interest paym date, 17 April 1991 against Coupon No. 16 will be US\$255.94

Agent: Morgan Guaranty Trust Company JPMorgan

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FINANCIAL TIMES CONFERENCES

# REGULATION REAPPRAISED

London – 5 November, 1990

This major Financial Times conference has been called at a time when regulation of the financial services industry continues to be a controversial subject and one of considerable importance if the City is to maintain its position as a dominant centre in the worldwide investment business.

### Speakers will include:

### Mr Charles Nunneley

Robert Fleming Asset Management Limited

Mr Brian Quinn **Executive Director** Bank of England

### Sir Martin Jacomb

Barclays de Zoete Wedd Holdings Limited

### Mr George Nissen CBE

Investment Management Regulatory Organisation Limited (IMRO)

### Mr David A Walker

Securities and Investments Board

Mr Christopher Cruickshank Principal Administrator, DG XV Commission of the European Communities

### Mr John Young Chief Executive

The Securities Association Limited

### Mr Crispin Henderson

Coopers & Lybrand Deloitte

### Mr Ernst Brutsche Deputy Sector Executive Citicorp Investment Bank Limited

A Financial Times Conference held in association with Investment Management Regulatory Organisation Limited.

**IMRO** 

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AUSTRIBA 4 5/8 98

EIB 5.34 99
PHILARD 5.38 95
GENERAL MATORS 7 1/2 95
JAPAN DEV BK 5.1/2 94
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A FINANCIAL TIMES INTERNATIONAL CONFERENCE

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		Post Code	
Tel	Tk	Fax	

### INTERNATIONAL CAPITAL MARKETS

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a rise of 1.9 per cent in August. The market failed to find a

clear direction and in the cash

market the 9 per cent 10-year issue was fixed at 99.93 after Monday's level of 100.13 to

offer a vield of 9.01 per cent.

■ THE short end of the French

market was boosted yesterday by the government's move

effectively to ease monetary policy. This was achieved by cutting the amounts of liabili-ties French banks are required

to hold in non-interest paying accounts with the bank of

France in a move that will

save the banks some FFr20bn a

■ IN THE UK, sentiment in

the gilt-edged securities mar-ket was boosted by a stronger pound which rose in the Bank of England's trade-weighted

index to 95, after an opening level of 94.6 and a close on Monday of 94.9. However, glits prices showed little change on

the day as trading activity remained light.

Probably the second of the sec

# Japanese rally buoyed by further wave of optimism

By Deborah Hargreaves in London and Karen Zagor in New York

AUSTRALIA

THE Japanese government bond market was buoyed by another spurt of enthusiasm	BENCHMARK GOVERNMENT BONDS										
yesterday as the yield on the key 119 bond broke through		Coupon	Red	Price	Change	Yield	Week ago	Month ago			
the psychologically-important 8 per cent level.  Traders report a growth of	UK GILTS	13.500 9.000 9.000	09/92 03/00 10/08	102-26 86-00 84-01	-01/32 -11/32	11.81 11.47 11.06	11.79 11.36 10.93	12.56 11.80 11.16			
optimism in the market, but others believe the rally of the	US TREASURY	8.750 8.750	08/20	99-31 96-16	+08/32 +15/32	8.75 8.89	8.78 8.93	8.85 8.99			
last couple of days is unsus-	JAPAN No 11 No 129	4.800 6.400	8/99	83.7120 93.1528	+0.324 +0.357	7.97 7.85	8.12 7.77	8.48 8.07			
The yield on the 119 bond	GERMANY	8.500	06/00	96,3500	+0.050	9.07	9.07	9.02			
has dropped by a couple of per- centage points in the past few	FRANCE BYAN CAT	9.000 8.500	11/95 03/00	95.2595 88.9600	-0.034 -0.010	10,23 10,36	10.29 10.48	10.29 10.42			
days as bond prices have risen	CANADA .	10.500	07/00	95.1000	-0.250	11.34	11.28	10.80			
on the back of a strong yen and a fall in the oil price.	NETHERLANDS	9.000	10/00	98.6200	+0.020	9.22	9.21	9.18			
sum a rem in cos on blics.	ALIGNMAN NA	10.000	****	07 0000		12 27	12.42	13.47			

have boosted Japanese govern-London closing, "denotes New York closing Yields: Local market standard Prices; US, UK in 32nds, others in d ment bonds, some analysts believe that the direction of the

### GOVERNMENT BONDS

further rise in bond yields. Inflationary pressures persist in Japan and interest rates are likely to remain firm, if not

While international factors

domestic economy points to a

The 0.2 per cent rise in the domestic wholesale price figure yesterday was not as high as some analysis had forecast, but the data showed a substantial rise in import prices. This is the first sign of oil price rises working through to the Japa-

nese economy.

The December futures contract closed near its high of 90.30 yesterday after a close on Monday of 89.98, and volume was moderate at nearly 57,000

 US treasuries were flat to moderately higher yesterday in quiet trading before the bond market found strength in the late afternoon from news that the budget deficit package had moved a step closer to Congressional approval. In late trading, the Treasury's bench-mark 30-year bond was quoted ½ higher at 98½ for a yield of

8.88 per cent. The two-year issue was up & to yield 7.89 per cent. Trea-suries flirted with lower levels at mid-session when oil prices turned higher, and the longbond slipped more than 1 point before recovering to trade at modestly higher levels. The long bond added to its gains in late trading on news of the Senate Budget Panel approving the budget reconciliation bill filtered through.

The Federal Reserve did not a day of featureless trading. Wholesale prices rose 0.7 per cent in September from the same year-ago period after an increase of 1.5 per cent in operate in the open market yesterday and Fed Funds, the rate at which banks lend to each other, changed hands at 8 per cent through most of the day, and closed at 7½ per cent.
There was no policy implication in the Fed's lack of intervention, and the Fed's target At the same time, the producer price index jumped by 2.1 per cent in September over the same month last year after

for the funds is still thought to be 8 per cent. November crude oil slid 35 cents a barrel to \$37.60 at mid-session but recovered in the afternoon to close up 94 cents

at \$38.29 a barrel.

In the absence of any economic news of note, the bond market remained focused on the continuing debate over the deficit reduction package.

If Congress does not come up with a budget for 1991 by Fri-day, the Gramm-Rudman sequestration order will be triggered, slashing about \$85bn from government spending. In the afternoon, the Treasury said it would auction \$19.2bn in abort-term bills to redeem \$17.34bn in maturing bills on Monday. The sale amount is higher than the \$18.8bn sold at

the last treasury bill auction. The market was sanguine about comments by Mr Paul Volker, former chairman of the Federal Reserve Board, who warned against expectations of warned against expectations of monetary easing in the face of growing evidence of "an envi-ronment of great aluggish-ness." Monetary policy is expected to ease to 7% per cent when the budget package is

■ IN GERMANY, the release of key inflation data sent a mixed signal to the bund market and ended by having little effect on

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FT/AIBD INTERNATIONAL BOND SERVICE

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KREDRETCORP 7:95 LPF

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SWEDEN

# eight-month losses of NKr354m

By Karen Fossil in Osio

**DnB** reports

DEN NORSKE BANK (DuB), DEN NORSKE BANK (Dub), Norway's biggest bank, announced yesterday net losses of NKr354m (30m) at the eight-month mark against profits totalling NKr119m last year for Bergen Bank and DuC which merged from April this year to form Dub. It also unveiled a decrease in credit losses to NKr2.25bn from losses for the two companies ceases for the two compan of NKr2.37bu in the same

period last year. During the first four me of this year DnB said that it expected not profits for 1996, but yesterday Mr Egil Gade Greve, president, cast doubt on his earlier forecast.

"In the final months of the year, developments may to some extent be influenced by some extent be influenced by conditions beyond the bank's control. Uncertainty prevails with regard to both international developments and the Norwegian economy.

Domestic developments have not yet provided the desired stimulus to that part of the business community which depends on the Norwegian market," the bank said.

Group profits, before loan

Group profits, before loan loss provisions and taxes increased, however, from NKr928m for the first foar months of this year to NKr1.021bn in the second four-

month period. Net losses of NKr491m in the first interim period were turned around to a net profit of NKr137m in the secon interim, although continued high credit losses forced the bank to plunge into net losses for the first eight months of

this year.

Operating expenses during the eight-month period were cut by NKr168m compared with the same period last year, although merger costs hit the bank by NKr150m.

Mr Gode Greve said that "on The spread between the French and German markets has been drifting steadily closer in recent weeks and is currently at 127 basis points although the longer end of the French market remains quiet. Mr Gade Greve said that "on

While many investors favour the French market, trading has been quiet for several weeks. a full-time basis the DnB group had reduced the number of employees by 865 by Octo-ber 1, and that a target staff reduction of 985 for the year as a whole had been set. Net interest income alid to NKr3.89bn from NKr8.75bn at the eight-month mark last

> The group saw an increase in total average assets to NKr214.07bn from NKr212.96bn last year, but said that it needs to raise by 1992 some NKr2.5bn in core capital to meet the Bank for International Settlements (BIS) equity ratio require-

### Barcelona plans futures contracts

THE Barcelona financial futures exchange is planning to launch several new contracts in the next few months and diversify into options at a later stage, Reuter reports from Madrid.

Mr Jose Luis Oller, the exchange's director general, expects final authorisation from Mr Carles Solchaga, Finance Minister, shortly for a contract based on the 90-day Madrid interbank offered rate (Mibor).

The contract is directed at

interbank market operators, companies with a treasury sur-plus and issuess of abort-dated paper. Mr Oller expected a daily trading volume of 1,000 to 1,500 lots within six

to 1,500 lots within six months.

The three-month contract will have a face value of Pta10m and will mature on the third Wednesday of the months of March, June, September and December.

Also being developed are contracts based on a 38-share Spanish hourse index, known as Meff 30, as well as on the dollar/peseta and on the

as Meff 30, as well as on the dollar/peseta and on the D-Mark/peseta exchange rates, Mr Oller said.

The Meff 30 index, specially designed to provide the hasis for a futures contract, will include the 30 most traded shares in the "continuous" computerised market.

### Cheung Wah is oversubscribed

CHEUNG Wah Development, the Hong Kong dyestnifs distributer, yesterday announced that its initial offer of HK\$38m worth of shares has been 19 times subscribed, AP-DJ reports from Hong Kong.

The response to the offer of 25 per cent of the company's shares was by far the most entimediately accorded the five local flotations made since the Gulf crisis. The other offers succeeded only by thin margins.

gins,
Local analysts had expected strong interest in shares of Cheung Wah, which is highly regarded because of its concen-tration on the top end of its market and its diversified

operations.

The group intends to use the proceeds of the issue to repay short-term bank loans and angment working capital.

Its shares are to begin trading October 29.

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### INTERNATIONAL CAPITAL MARKETS

# Borrowers take refuge in Swiss franc haven

By Simon London

TOBER 17 1991

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VKr150m ide litete silder BORROWERS in the international bond market confined their activity to the relative safe haven of the Swiss franc market yesterday, with five deals laynched into the franc market yesterday, with five deals launched into the market raising a total of

### INTERNATIONAL BONDS

In the Swiss market, retail demand and swaps opportunities remain better than in any other sector. Moreover, the past success of smaller Japa-nese companies at tapping the market has left a solid corpus of maturing issues which

requires refinancing.
However, even the Swiss market is suffering from uncertainty over the Gulf crisis and interest rate volatility. Banks active in the sector noted that just one of yesterday's issues was public, the Sfr150m 10-year issue from Kyushu Electric Power via Swiss Bank Corporation.
"A good, liquid public issue

was needed because secondary market volume was getting thin," commented a syndicate official at a rival house. "But I doubt if the market has the

Borrower US DOLLARS

SEK(f) 

Bando Chemical Ind.(e) 

•

SWISS FRANCS
Kyushu Electric Power(a) 
Prudendial Fin.Fundg.(a) 
Kurogane Koasiosho(b) 
Sokkisha Co.(c) 

Khangane Koasiosho(b)

PHILIPPINE National Bank (PNB), the publicly listed Phil-ippine financial institution,

made a record net income of

2.2hn pesos during the first nine months of the year, up

57.1 per cent from 1.4bn pesos a year earlier, AP-DJ reports.

the UK property company. In total SFr115.8m of bonds have been repurchased, in excess of the SFr95m that the company had undertaken to buy.

In the sterling market, there is still no sign of the "wall of money" that some pundits had predicted would move into sterling-denominated assets after the pound's entry to the after the pound's entry to the European Exchange Rate Mechanism. Starling bond dealers suggest, in fact, that overseas investors took advantage of sterling strength against the D-Mark last week to take profits on their sterling assets.

The yield spread between corporate bonds and gilts widened significantly in the immediate aftermath of ERM entry as gilt prices moved up faster

as gilt prices moved up faster than corporate bond prices. However, towards the end of last week the yield spreads narrowed across all maturities. Dealers reported muted off-shore interest but no upsurge in overseas buying.

Moreover, analysts suggest that overseas investors may not return to the market in numbers until the pound falls

**NEW INTERNATIONAL BOND ISSUES** 

seeks oil insurance partners towards the lower end of its permitted range against the D-Mark, hoping to benefit from later appreciation. Yesterday

the pound closed at a shade

ipation of further falls in inter

est rates. The pre-ERM stand-off remains unbroken.

Paradoxically, September bad seen something of a tenta-

tive revival in Eurosterling issues with £1bn of deals being

launched by big corporate bor-rowers including British Gas, British Telecom and Lasmo.

The most likely spur to an upsurge in primary market activity is "defensive issuance" from borrowers which con-

clude that the climate can only

get worse. Again, a deprecia-tion of sterling towards the bottom of its ERM range would

limit the chances of a further interest rate reduction and per-

haps encourage borrowers to

1 UBS Phillips & Drew 24/12 Nomura Int.

SBC UBS Sank Leg BSI

Credit Suissa

came from interest income on

loans. Other income sources

include foreign exchange prof-

its and trading gains.

PNB is aiming for a net

whole of 1990.

come of 2.9bm pesos for the

By Deborah Hargreaves

**Barclays** 

BARCLAYS Bank has begun sending out the invitations for international banks to join its \$700m, five-year syndicated over DM2.96, against an effec-tive floor of DM2.88 while the Spanish pesets remains strong. loan for Oil Insurance, the insurance company for the world's leading oil companies. Few terms of the deal have Moreover, while primary market supply remains thin, concerted buying of sterling been released, but it will replace an existing three-year \$500m facility which was arranged by Chase in April last year. Banks are under-streed to be invited to a present bonds would quickly move prices against the buyers. Demand probably exists for the right new issues, yet borrowers remain unwilling to lock into fixed rates while there is anticstood to be invited to a presen-

tation next week. At the same time, Citicorp art the same time, citical amounced a £120m revolving loan facility for Bass, the UK brewing group, The loan, of which £70m is committed, will fund trade loans to publicans in the UK, but the deal carries a guarantee from Bass.
The average life of the loan

is five years, paying a stepped up premium of 20 basis points until September next year, 22 % points from 1991-1994. After that it pays 27% points from 1994 to 1998 with 40 basis points after 1998.

The loan will pay a commit-ment fee of 7% basis points which puts it at the tight end of the loans market in today's conditions. For this reason, the deal is expected to be largely based on existing rela-tionships between banks and

the Bass group.

Activity in the syndicated loans market is picking up with the £800m mandate for Tresside power station to be awarded this week and the £1.5bn mandate for National Power expected soon.

### Chicago bank in Yugoslav accord

THE First National Bank of Chicago said yesterday that it had signed an agreement with Ljubljanska Banka of Yugoslavia to promote increased co-operation in the field of corporate finance, writes Stephen Fidler, Buromarkets Corre-

The agreement would aim to encourage foreign investment mainly in Slovenia, the richest republic in Yugoslavia and widely seen as the most attrac-tive to foreign investment.

# Foreign investors get ready to be switched on

Deborah Hargreaves reports on overseas interest

nvestors from abroad are preparing to light up their portfolios with a slice of UK electricity shares when the industry goes on the block in a month's time.

In his announcement yesterday of the lead managers for the sale of shares overseas, Mr John Wakeham, energy secre-tary, said: "The current esti-mates of interest, both here and abroad, are very encourag-

Most UK privatisation deals have proved fairly safe investments in the past and the government is expected to make the sale attractive amid current uncertainty on world stock markets.

The expected offering of shares in the UK's 12 regional electricity companies and the National Grid will be a sizeable chunk in an international market where new issuance has been depressed by falling stock prices and turbulent trading conditions. Electricity shares

Foreign investors are encouraged to hold on to their shares — for both water and electricity - and to trade full packages instead of breaking them up into the companies they fancy.

could be a safe haven for many foreign investors who want exposure to the UK market, but are put off industrial stocks by their belief that the economy has already dropped into recession.

The terms of the offer as well as the number of electricity shares to be sold abroad will not be set for some weeks yet. Indeed, although the government plans to sell shares abroad, a final decision will not be taken and lesson to the not be taken until closer to the time of the offer in November. But lead managers for each major geographical region have been identified and they have been informally canvass-

ing demand. Credit Sulsse First Boston has been allocated

European sales. Nomura will head the Japanese offering and Wood Gundy is in charge of sales in Canada. It is understood that Goldman Sachs will be responsible for sales in the

It is unlikely that another UK privatisation will be a hard sell abroad, given the ger terms for previous deals, and the fact that electricity follows the successful sale of UK water shares which met substantial overseas demand.

However, in an extremely uncertain environment for world equity markets, a change in trading conditions could damage the success of the sale as happened with the offer of shares in British Petroleum at the time of the stock market crash in 1987.

UK underwriters are understood to be concerned about

the possibility of a war in the Gulf marring electricity's sale prospects. But the government is expected to resist strongly any attempt to give them a special let-out clause in the event of a war.

International investors locked away a tidy profit with water shares. The government water shares. The government fixed the yield on the shares — the dividend yield based on the offer price — between 8 and 9 per cent for the individual water companies. This is greater if based on the partly-paid price since investors could pay in instalments, remitting less than half of their total payment up front. payment up front.

For international investors, this is a yield that compares favourably with domestic equi-ties and other international investments. In addition, most foreign portfolio managers and retail investors are familiar with the idea of buying utilities which are traditionally high-yielding stocks.

The sale of electricity is expected to follow the same structure as the water offer where 18.5 per cent of the shares in regional companies - the proportion could be as high as 25 per cent for electricity - were sold as a package of companies overseas at one price. This makes it easier for the international investor to understand since there is no need to differentiate between

individual companies.

Dr Andrew Clearfield, assistant vice-president for Buropean Investments at the College Retirement Investment fund in New York, says he is interested in buying electricity shares as a place to hide in a bad market. "It is a question of whether the yield is attractive and then of how much poten-tial for growth there is in the

industry."
Dr Clearfield put 4 per cent, or £7m, of his total European fund's £260m into water shares and expects his exposure to electricity to be higher. In fact, because of the claw-back facilities that exist - where the government can pull back shares from its overseas allocation to fulfil over-subscribed demand at home - Dr Clear-field bought additional water shares in the open market once the offer had closed,

Foreign investors are encouraged to hold on to their bundles of shares — for both water and electricity — and to

European investors are likely to be keen on electricity. The UK's recent entry into the ERM will make electricity shares appear a safer investment since currency fluctuation is limited.

trade full packages instead of breaking them up into the companies they fancy once the offer has closed. This is aimed at reducing the flowback of the shares to the home market which has previously led to accusations that the government has sold shares in priva-tised companies to foreigners looking to cash in a quick

Mr Clearfield says he would now like to break up his water packages and trade the compa-nies individually, but so far he has had no time to do so. The electricity offering in the US will be made through the newly-liberalised private placement market - so-called



**PRIVATISATION** 

result will be available only to institutional buyers - those with holdings of \$100m or more securities. The size of the offering is mooted at \$600m-\$1bn of shares in the US which would be more than three times the size of the largest offer so far through 144a.

In Japan, the electricity offer will take a similar route as a Public Offering Without a Listing (Powl) which was pio-neered last year for water shares. However, most of the Japanese shares will be marketed to retail investors which have been enthusiastic buyers of UK privatised companies in

The turbulence on the Tokyo Stock Exchange has dampened some of that enthusiasm, and Japanese investors were net sellers for foreign stocks in August for the first time in many months. But as one brokerage official comments: "It's not a good time to be selling anything in Tokyo, but with this, the magic word privatisa-tion should give us an easy

Similarly in Europe; Swiss, French and to some extent, German retail investors, are likely to be keen on electricity. The UK's recent entry into the Exchange Rate Mechanism will make electricity shares appear a safer investment since currency fluctuation is limit-

Water shares performed well for continental investors and left a good taste as have so many of the UK's privatisa-tions. The roadshows are due to begin in early November when it will be easier to gauge the extent of European inter-

In the US, sterling's strength could put some investors off electricity, but although some US investors got burned with the BP sale, they appreciate the philosophy behind the selloffs and have an eye for a good

Extra coverage of the international equities market will appear on this page on Wednes-days.

### **LONDON MARKET STATISTICS**

### Tritoria kasti engan anjanja ka FT-ACTUARIES SHARE INDICES <sup>C</sup> The Financial Times Ltd 1990. Compiled by the Financial Times Ltd

Philippine National Bank rises 57%

An estimated 997.2m pesos, or 45.3 per cent of net income in the nine-month period, was

generated during the third

quarter, said Mr Edgardo Espiritu, president.

Gross income from January

to September totalled 7.3bn

	EQUITY GROUPS		Tuesda	y Octo	ber 16	1990	)	Moa Oct 15	fri Oct 12	This Oct 11	Year ago Capprox
-	& SUB-SECTIONS Figures in parentheses show mimber of stocks per section		Day's Cleange %	Est. Earnings Yleid% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1990 to date	Index No.	ladex No.	index No.	Index No.
1	CAPITAL 6000\$ (196)	708.83	0.6	15.67	6.70	7.81	31.33	712.99	710.48		850.97
-2	Building Materials (26)	967.16	-0.2	15.16	6.30	8.12	39.70	969.29			
3	Contracting, Construction (35)	1153.04	-0.8	17.64	6.92	7.40	56.07	1161.97			
솅	Electricals (10)	1880.63	-났	14.95	7.16 5.53	8.18 12.59	84.91	1901.39 1562.51		1887.63   1556.63	
7	Electronics (26)	1547.68 409:20	-0.9 +0.5	10.86 16.47	5.90	7.30	56.74 15.17	406.97			0.0
혤	Engineering-Aerospace (8)	365.66	+0.2	16.39	7.10	7.34	16.85				0.0
	Engineering-General (47)	405.38	-0.4	28.11	8.24	4.33	17.02	407.05			
	Metals and Metal Forming (8)	273.92	-0.4	18.66	8.67	6.24	14.41	275.03			
	Other Industrial Materials (23)	1177.02	-13	14.30	6.93	8.08	60.14			1164.02	
<u>ښ</u> ا	CORSUMER GROUP (176)		-0.6	20,40	4.35	11.87	30.57		1189.31	1188.28	1208.9
	Brewers and Distillers (22)	147713	-0.7	10.59	4.00	11.44	33.61	1487.78	1483,23	1476.63	1396.9
25	Food Magnifecturing (18)	វាលា វ	-0.2	11.47	4.82	10.74	28.13	1014.18	1012.28	1007.32	1074.8
26	Food Recalling (17)	2340.44 2376.25	-0.4	10.20	3.57	12,49	50.82	2350.33			
27 I	Health and Household (16)	2376.25	-0.9	7.44	3.13	15.88	48.83				
29	Leisure (32)	1192.32	-13	12.56	5.44	9.63	39.79				
31	Packaging & Paper (12)	487.33	+0.2	13.21	7.14	9.30	22.95			486.38	
32(	Publishing & Printing (14)	2802.25	+0.4	12,80	6.69	9.78	124.64			2819.63	3362.8
34	Stores (33)	807.60	-0.4	10.91	4.60	11.92	18.58	810.83			738.5
35	Textiles (12)	409.42	+0.2	14.58	8.67	8.70	20.31	408.65		409.32	502 1
10	OTHER GROUPS (187)	966.27	-1.0	13.09	6.07	9.27	32.00	976.43			1087.4
41	Agencies (16)	1028.19	-1.4 -0.5	10.56	3.23	11.49 8.85	22.25 46.81	1042.80 1000.56		1011.52 988.66	
12	Chemicals (24)	1313.39	-11	13.35 12.93	6.70 7.62	9.32	70.01 38.45	1327.58			
13		1859.95	-12	13.06	5.64	9.70	65.20	1882.29	1002 /2	1889.14	21/02 1
44	Transport (14)	1072.94	_111	12.20	5.10	10.68	25.09	1084.94		1083.90	
10		1925.03	-0.5	· 15.81	7.04	7.12	68.12	1935.04	1964.67	1958.76	0.0
اه	Miscellaneous (25)	1467.38	·-L4	14.28	6.14	8.04	61,49	1488.53	1494.06		1776.4
::	INDUSTRIAL GROUP (479)	1003.78	0.7	12.38	5.40	9.89	32 22	1011.00			1095.6
-	011 & Gas (21)	2320 20	-1.1	9.65	5.38	13.54	85.44	2347.13			
끅	Ull de Gill and The Total (The Control of the Contr	1111.46	0.8	11.95	5.40	10.32	36.51	1120.23	1118.78		
24		690.56	-0.1	44.35	6.88	20.52	31.79	691.59	691.19		728.1
ы	FINANCIAL GROUP (183)	738.30	+0.2	22.17	7.80	5.91	42.00	736.93	733.09	738.85	739.8
2	Insurance (Life) (7)	736.30 1318.24		-	5.82	3.71	54.97	1318.71		1318.84	
55	Insurance (Composite) (6)	594.65	-0.8	-	734	_	27.35	599.52	606.33	604.34	
	insurance (Brokers) (8)	797.66	+1.0	9.47	8.05	13.80	41.94	789.70		793.76	
2	Merchant Banks (7)	344.87	-14		5.94		12.75	349.90	354.73	356.75	380.8
6	Property (45)	925.22	-0.3	8,17	5.26	16.17	25.08	927.65	926,43	908.61	1126.5
70	Other Financial (21)	245.06	-0.2	11.60	7,12	11,08	11.62	245.55	245.60	245 <u>.69</u>	314,1
	Investment Trusts (66)	995 18	+0.7	-	3,97	-	25.03	988 23	985.15	985,40	1147.9
á	Overseas Traders (5)	h108.21	-19	12.91	8.34	9.23	59.65	1129.13		1154.03	1255.9
3	ALL-SHARE BIDEX (674)	1007.88	0.7		5.58	-	34.93	1014.56	1013.31	2013.99	1072.5
7		invex No.	Day's Charge	Day's High (a)	Day's Low (b)	0ct 15	0ct 12	0ct 11	0et 10	Oct. 9	Year
<b>-</b> ₹					2081.1			2102.2			
ı	FT-SE 100 SHARE INDEX4	امتمس ا	ا <b>دیمد-</b>	اللقنه	اعتمد	الإعلانية	4,00,4	المتلاقية	الاستقدي		شرالت ،
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	FD	(ED I	NTE	REST	Γ.	· ·		AVERAGE GROSS REDEMPTION YIELDS	Tue Oct 16	Mon Oct 15	Year ago (approx.)
	PRICE INDICES	Tun Oct 16	Day's change %	Mon Oct 15	xd adj. today	xd adj. 1990 to date		British Generoment Low 5 years Coupons 15 years	10.68 10.96 10.96	10,71 10.90 10.90	10,14 9,54 9,43
3	10.0	117.71 121.32 122.71 141.48	-0.26 -0.32 -0.43	117.78 121.96 123.10 142.08	0.02 0.33 -	11.95 9.84 8.85	6 7 8 9	Medium 5 years. Coopers 15 years. 25 years. High 5 years. Coupers 15 years. Lycers. Ly	11,39 11,23 11,74 11,61	11.59 11.34 11.18 11.69 11.56 11.45 11.01	10.98 9.920 9.54 11.10 10.14 9.70 9.49
6	intex-United Up to 5 years Over 5 years	122.12 154.13 137.75 138.87	+0.01	122.54 154.12 137.74 138.86	-		11211	Index-Linked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10% Inflation rate 10% Over 5 yrs.	4.41 2.95 4.21	4,23 4,40 2,93 4,20	3.65 2.99 3.47
`	Debeutors & Laws		-0.05	101.88 73.07	<u>-</u>	9.20 5.33	15 16 17	Deira & 5 years	13.90 12.83 12.40 12.99	13.43 12.80 12.42 12.97	13.73 12.21 11.75

#Opening linder 2112 1; 9 am 2117.8; 10 am 2118.0; 11 am 2112.8; Noon 2105.5; 1 pm 2091.9; 2 pm 2089.4; 2.30 pm 2091.2; 3 pm 2087.4; 4.10 pm 2081.7; tal. 9.17 am 0b 4.11 one † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Essaes. A list of constituents is auxiliable from the Publishers, The Financial Times, Number One, Southwark Stridge, London SE1 9HL, price 159, by past 35p.CBRSTITUENT CHARGE: Name changes European Home Products (3-0) is now School.

# RISES AND FALLS YESTERDAY **British Funds** 1,643 Totals LONDON RECENT ISSUES

Issue Price	Anriet Paid		.19	90	Stock	Closing Price	+07	Het. Die	Times	Gross Yleid	P/E
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£ up Date High Low Scott Price	FIXED INTEREST STOCKS												
£ up Date High Low							19	90	Smelt		+ 07		
<del></del>		що	Date	High	Low	i	£	-					
♠   F.P.   90p   75p   Rank Org. 8.25p (Mex) Cr Can Rd Pf 20p   86p	100p 100p 100p 100p	昆鼠	:	1202	930 750 1060 1014	Rank Gro. 8.25p (Mex) Cv Cm Rd Pf 20p Reckitt & Colman 9.5pc Cv Bds 2005 [esco Capital 9pc Grv. Cap. Bd. 2005 Wace Gro. New Roc Crv. Pf. £1.	107	-212					

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issue Price	Amount Paid	ald Resourc 199		<del></del>	Suck	Clesing	+ or
B	100	Date	High	Ton	l	P	<u> </u>
25 16 220 180 5	がある	23/7	\црп 2ра 98	4,pm 4,pm 33	ATA Selection Greenvich Resources A 5p	ідея Ідра 49	#
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COVER based Dividend an provious yea and yield ha based on lad Dividend an dividend,cov  © Offered to	l on divides nd yield ex hr's exeming used on pros test annual nd yield ba wer and pie o kolders of	ed on fall ( schole spec gs. Il Divid specius or o estricings. sen on pro ratio basse f ordinary:	capital, g di ciai payment lend and yiel other official M Divident repetius or di on prospec stores 25.2	Assumed di t. u Forec dd based on al estimate d and yield other offic ttus or othe "rights" :	entimates. I Dividend rate palel or popular intend and yield. a Earnings based on pre- cast, or estimated annualized dividend rate o prospectus or other official estimates for its 1790-21. Lealizated assembled divi- idades on prespectus or other official esti- cial estimates for 1989-90. A Boxs. R For terroficial estimates. W For Forms figures. International. S Placing price. It Related cities with reorganization, merger or taken	liminary fig a, easer ha 1989. K D dend_cover a mates for 1' precest and \$ issued by inction. \$ ti	pares, s med co hvideod and p/e 990, h tudised tunder,

١	TDA		AL OPTIONS
١	First Dealings     Last Dealings     Last Declarations     For settlement     For rate indications see	Oct. 15 Oct. 26 Jan. 24	London Share Service Calls in Amstrad, Brent Watto Gaetic Res., Next, Speybaw STC, Tueker Res. and Vasi Ree Put and call in Cityvision.

### **LONDON TRADED OPTIONS**

THE FUTURES MARKET began to Sachs and S. G. Warburg. reassert its importance yesterday, leading UK stocks first higher and then lower. In traded options, dealing was lifted by activity related to the expiry of October contracts.

The December FT-SE 100 index began strongly, moving to a premium of 80-85 points to the cash index ended at 41 points, slightly below fair value. In traded options, the explry of the October stocks today boosted activity as investors closed positions and rolled them over into future mounts. reassert its importance yesteroxy, leading UK stocks first higher and then lower. In traded options, dealing was lifted by activity related to the expiry of October

began strongly, moving to a pre-mium of 80-85 points to the cash

index during the opening minutes of the session, compared with 59 at the previous close. The large premium encouraged arbitrageurs to sell futures and buy stock, which lifted the cash future months. A total of 35,973 contracts

changed hands, up slightly on the day, and was divided between 20,940 calls and 15,033 puts. The FT-SE Index traded 6,551, including 3,039 calls and 3,512 puts. The most popular series was the December 2,100 puts.

December FT-SE finished at

Among the stock options with 2,559 changing hands. Inves-tors bought back October 240 calls and sold April 260 calls. The January 260 calls were also actively dealt.
Rolls-Royce continued to be widely traded among marketmakers. The turnover of 2,482 con-

tracts was boosted by James
Capel buying 1,000 March 180
puts and selling 1,000 December
180 puts. Dealing in Boots was
swotien by expiry business and it
traded 1,864. Next on the list was
8P (1824) where puts predvel-BP (1,824), where puts predomi-nated; followed by British Tele-com (1,461). CALLS POTS De: Mar Jan Be: Mar Jan

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Opition		ez (		-	Oct	P615 Jac	Į.	سناج		ᅄ	_=		Oct		Apr	Option Abben Not	200	_	Mar		Bez	iliar 9	<del>Jan</del>
Alid Lyces (*468 )	420 460 500	33 13 1	65 36 19	80 54 35	2½ 33	7½ 20 42	13 27 47	Tratalgar (*195.)	188 200 220	18 4 1½	32 12 7	35 22 14	1½ 20 28	15 25 40	18 30 42	Abbey Nat. (*224 ) Amstrad	200 220 60	15 75		4월 14년	3 4	14 7	胺
ASDA (*129 )	110 120 130	20 10 1½	25 18 13	30 22 16	1	3½ 5½ 11	41 <u>.</u> 15 14	Otal, Biocalis (*320 )	300 330 360	21 1 1	37 18 7	45 27 15	1 12 42	8 20 43	13 24 44	(*64 ) Barelays (*357 )	70 357 360	26	40	10	18 85	12 33	13 37
Brit, Airways (*139 )	130 140 160	4	20 12 6	24 16 10	- 6 22	8 14 26	12 16 26	Uniteer (1653 )	660 660 700	57 10 1	78 47 24	97 65 62	2 3 50	15 32 55	22 41 60	Blue Circle (*217 ) British Gas	200 220 200	15	36 24 32	38 27 38	5 15 2½	10 19 5	15 24 65
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# Mt Charlotte says no to 'absurd' Brierley bid

By Andrew Bolger

MOUNT Charlotte Invest-ments, Britain's second biggest hotels group, yesterday urged shareholders to reject the 73p per share offer from Brierley Investments (BIL), the New Zealand company founded by the entrepreneur Sir Ron Brier-

Mount Charlotte said the offer, which values the group at £844m, represented a 40 per cent discount to Mount Charlotte's net asset value of 122p a share. Mount Charlotte shares yesterday closed %p lower at 68%p. Mr Robert Peel, Mount Char-

lotte's chief executive, said: "It lotte's chief executive, said: "It would be absurd for shareholders to accept this offer. Frankly, if we chose to liquidate the company ourselves at today's asset values, it would be worth 105p per share after an estimated Capital Gains Tax charge of 17p per share." BIL launched its bid last

month after acquiring a 10.1 per cent stake in Mount Charlotte from the Kuwait Investment Office. Since the New Zealand group already had a stake of 28.8 per cent, the pur-chase obliged it to make an offer for all the remaining BIL insisted that the bid was

not in any way hostile and said it would wish the existing management at Mount Char-lotte to continue running the group, which with nearly 14,000 rooms in the UK is secand only to Trusthouse Forte.
Bil also said it would be happy with anything between a 40 per cent stake and full

Mr Peel said he had almost completed the integration of Thistle Hotels, which Mount Charlotte bought last September for £644m from Scottish and Newcastle Breweries.

to rise from £47.6m to not less than £52m for the current

Mount Charlotte expects to lift the dividend for the year to December 30 to 1.48p, an increase of 14.7 per cent. Earnings per share are forecast at

5p. down 14 per cent.
The share price has fallen sharply since last year because of market concern about delays in planned asset disposals. Mr Peel said at the time of the Thistle deal that he intended to raise £200m from sales and has so far raised only £85m. Mr Peel said Mount Charlotte's gearing was 55 per cent, below the level of competitors such as Queens Moat Houses and Ladbroke Group. He expec-ted to complete the rest of the

disposals by next year.

BIL said only that its offer represented a prospective exit multiple of 14.6 times.

# Tilbury hits Lilley profits

By Andrew Taylor, Construction Correspondent

LILLEY, the Scottish-based construction group, said yes-terday that the cost of acquir-ing a 29.9 per cent stake in Tilbury, a rival construction group, had reduced profits by £785,000 in the first six months of this year.
Lilley was left with its hold-

ing after a £137m bid to acquire Tilbury narrowly failed last

Since then Philipp Hozmann, the West German construction company, has also bought a 14.05 per cent stake in Tilbury. Mr Bob Rankin, the chief executive, said pre-tax profits the first half of 1990 had fallen by 20 per cent, from £8.16m to

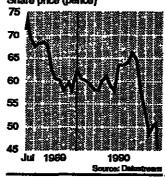
Turnover increased from £99.73m to £118.4m. Profits would have fallen by only 10 per cent if the cost of holding the Tilbury stake had been excluded, he said. Earnings per share fell from

4.15p to 3.35p. The interim divi-dend is again 1p. Tilbury, which two weeks ago announced an 8 per cent fall to £9.44m in first half pre-tax profits, contributed £2.39m of operating profits to Lilley.

This was reduced to a net loss of £785,000 after interest charges of £3.17m on the £40m of borrowings raised to acquire the Tilbury stake. Lilley, which has made a

series of acquisitions during the past 12 months, paid £4.6m interest in the half, compared

Share price (pence)



with £670,000 interest received. Borrowings at the end of June stood at £70m, against shareholders funds of £38m.

"Gearing comes down to about 85 per cent if the debt associated with Tilbury is taken into account. The interest cover is 2.4 times," said Mr Rankin.

He said the group's contract-ing and specialist construction and equipment divisions per-formed well and increased their combined turnover by 21 per cent and operating profits

per cent and operating profits by 78 per cent. Contracting profits were £5.23m (£3.24m), and specialist activities £3.2m (£1.51m). In property development and housebuilding, however, profit fell sharply from £2.64m to £233,000 after a £2.1m write

down in land values involving two property deals.

O COMMENT Lilley's mix of businesses should have made it a good defensive play in a construction sector suffering badly from a sharp downturn in residential and commercial prop-erty investment. Its exposure to housing is relatively low. About 60 per cent of its con-struction order is in growth areas such as water, roads, air-ports and other infrastructure, as well as a lot of onshore work for the North Sea oil and gas industry. The share price, however, fell 5%p yesterday to a low for the year of 451/2p. The stock market remains con-cerned about the balance sheet following a string of acquisitions. Gearing, even without the Tilbury stake, remains high; and this does not take into account another £40m of balance sheet debt in property joint ventures. The low exposure to housing means the company is less likely to be regarded as a major investment opportunity when senti-ment eventually turns in favour of housing. Meanwhile, the shares are unlikely to go anywhere until the Tilbury situation is resolved. It might be better to sell that stake even if it means a loss. Profit forecasts for the year vary from less than £14m to £16m, compared

# Propeller completes sub-underwriting

PROPELLER, the troubled casual wear distributor, said yesterday that sub-underwritten by Brown Shipley Stocking of a planned 3-for-2 rights issue designed to shore up its stretched financial position had been completed, writes

The sub-underwriters of the

Propeller now hopes to dis-patch a circular on Friday asking shareholders to approve the issue. Sub-underwriting was delayed last week when Corton Beech, USM-quoted mini-con-glomerate which holds 21.9 per cent of the Propeller shares, went into receiver

with £19m in 1989.

Brown Shipley has now been appointed as trustee for the

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### pegs growth at Attwoods to £28.5m

By Juliet Sychrava

ATTWOODS, the waste disposal company which has much of its business in the US, yesterday reported a 42.5 per cent increase in pre-tax profits to £28.5m in the year to July

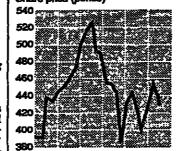
The downturn in the UK construction sector pushed UK construction sector pushed UK earnings down an unexpected 36 per cent and left overall profits at the bottom of the City's range of forecasts.

Earnings from the US waste disposal bustness, which made up 80 per cent of total pre-tax profits.

profits, were by contrast slightly better than expected, up 55 per cent on the previous year. MedX, the company's clinical waste disposal business did especially well, up 40 per cent on the previous year.

### Attwoods

Share price (pence)



Turnover rose by 72 per cent to £232m. Of the revenue growth figure, Attwoods said

15 per cent was organic and 57 per cent came from acquisi-Earnings per share rose 20 per cent to 25.14p. A final dividend of 6.25p brought the total dividend to 9.5p per share, compared with 8p last year.

Mr Ken Foreman, chairman, said: "Trading in the curren year has commenced well, but should the economic climate in the US further deteriorate, our

past record of growth could be difficult to maintain, al least

in the short term. The

long-term future, however, looks both promising and Most dramatic growth came from Omega, the portable sani-tation business in Germany acquired last May, where sea-sonal summer demand first registered in the results, bringing total profits in Europe up from £916,000 to £2.84m.

After its £82m rights issue in June, the company was able cent at July 31 last year to 23

### COMMENT

Mr Foreman's expectation of around 15-20 per cent internal growth across all the com-pany's businesses in the year to July 91 looks realistic — but two possible clouds on an otherwise bright horizon are prompting some analysts to drop forecasts closer to 10 per cent. The first is that a we US dollar against sterling could depress the company's reported earnings next year. The second is that a company that generates around 80 per cent of its earnings in the US cannot be invulnerable to recession, a point Mr Foreman made himself. Recessionary fears, despite Foreman's cau-tionary words, could also be overdone. Mindis Industrial Corporation, the recycling business acquired in 1989, is at least one operation Mr Fore-man expects to be reasonably man expects to be reasonably recession-proof. Add to this the effect of new acquisitions appearing for the first time next year, plus a dash of bid speculation relating to Laid-law's stake in the company, and it is not difficult to see why analysts are talking about £41m pre-tax and EPS of 28p upwards for next year. A price of 428p, down 12p, puts the shares on a prospective p/e ratio of 15, well above the market average, but still rea-sonable against take-out valu-ations in the sector.

### FINLAND The Financial Times

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15th November 1990

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**FINANCIAL TIMES** 

# UK setback Polly Peck shares drop in Zurich

SHARES AND bonds in Polly Peck International, the trou-bled fruit electronics and lel-sure group, plunged on the Zurich Stock Exchange yester-day after a three-week trading aspension was lifted. The shares started trading at

2.25 cents (90p), but within three minutes had plummeted to just 0.5 cents, before recovering to close at 1 cent.

This valued the group at only around £180m, compared

with more than £2bn earlier this year and £486m at the time shares were suspended.
Polly Peck's six Swiss bond issues promptly lost around half their value.

Zurich's decision to relist the securities, which were last traded on September 21, don, where a trading suspen-sion remains in force. Although UK investors were able to deal through Zurich, if they could find a broker to handle their orders, members of the International Stock Exchange are forbidden by the market's rules from dealing in another market if London remains closed.

This means that market makers, some of whom were caught with large numbers of shares during the frenzied trading in the run up to the suspension in London, were unable to offload shares in Zurich yesterday. The ISE said it had received

calls from members asking why it had not relisted the shares, although it refused to "complaints". A decision had been taken not to allow trading to recommence until Coopers & Lybrand Deloitte, the accountancy firm, had produced a report into Polly Peck's finances, it said.

The Zurich exchange said it had decided to relist the shares and bonds since more information was now available to investors than at the time they were suspended, and because investors did not want to wait another month for the Coopers report before being able to

trade.

The ISE had been warned in advance and neither approved nor disapproved, Zurich said — a comment confirmed by the Typical of the performance of Polly Peck's bonds was the

5% per cent bond due 1993, which was trading at a price of around 35 per cent in late after-noon yesterday, having been suspended on September 21 at

69 per cent.
The 6% per cent bond dua for redemption on November 19 fared slightly better, trading at 80 per cent against a presuspension price of 97% per

Polly Peck is believed to have covered the redemption payments on this issue in its

payments on this issue in its cash flow projections.

Dealers in Switzerland reported that the mark-down had taken place against a background of relatively light trading volume successing that it ing volume, suggesting that it reflects market makers' assessment of value, rather than a

# Weak demand means St Ives' growth ends

TOUGH TIMES in magazine and commercial printing yesand commercial infinitely year terday ended a run of impres-sive growth at St Ives, Britain's biggest independent printer, when the company announced pre-tax profits for the year to July 31 up only 1

per cent.
The pre-tax figure of £29.1m was achieved on turnover up 25 per cent to £226m, although margins were only I per cant lower if the turnover of four acquisitions St Ives made in the year was stripped out, the

company said.

During the year the acquisitions accounted for most of an 18 per cent increase in sales, and distribution costs and administrative expenses up 22 per cent.
Mr Robert Gavron, the chair-

man, said weakness in demand in the books, magazines, financial and commercial printing areas had hit volume and prices. Trading in the short term would be "extremely diffi-cult" and profits would depend on when the economy turned round.
The board recommended a

final dividend of 3.5p, making a total for the year of 5p, up 18 per cent on 1989. The shares closed up 5p at 180p.
St Ives spent £17.6m in cash
on its four acquisitions. They were Welss of Miami, which

prints Time, Readers Digest and Newsweek, Talbot, a small electronic publishing company, and two small packaging com-The company also spent £26m cash on fixed assets, com-pleting a £100m investment programme over four years. Despite this cash outflow, St

Ives ended the year with no When St Ives bought Weiss It is unsurprising that the business from companies going tain times.



Robert Gavron: volumes and prices were lower and trading in the short-term would be difficult

it paid £13.5m in goodwill, which it has written off against reserves, reducing the size of the balance sheet from 283m to

The company also made an extraordinary provision of £7.5m, including £450,000 after tax for costs already incurred in an aborted purchase of HunterPrint, the alling print company. The balance relates to costs St Ives expects to incur over the next 18 months for the over the next 18 months for the closure of two West Country factories and the cost of redundancies and relocating in a new larger site near Bodmin.

gloss should leave this printer's earnings record at a time when advertising levels, and therefore magazine pagination, are at their worst for over a decade. Preventing any fall in profits from sectors that are all being squeezed is a tribute to being squeezed is a tribute to how tightly the St Ives ship is

Furthermore, the company's investment programme in new web offset plant, tight cost con-trol and the pressure it has brought to bear on its suppli-ers has raised productivity so that it is well placed to take advantage of any retrenchment within the industry.

to the wall or retrenching, like HunterPrint, may be St Ives' best chance of substantially increasing market share in the UK in a mature and competitive industry.

Abroad, earnings momentum may be restored through fur-ther expansion in the US. It remains to be seen if the group follows its first tentative moves into the fragmented packaging industry with more acquisitions. Assuming pre-tax profits of £30.7m for 1991 and earnings per share of 20.5p and a prospective multiple of 8.8 times earnings would make the

# Paterson Zochonis advances to £25.03m

PATERSON ZOCHONIS, the west African trader and manufacturer of detergents and Cussons Imperial Leather toilet-ries, yesterday reported pre-tax profits up from £23.39m to £25.03m in the year ended May 81 1990. The share price was unmoved at 300p, the low for the year. Mr Alan Whittaker, finance

director, said it was too early to predict any improvement in the group's substantial Nigerian operations stemming from igher oil prices. The company was waiting to

see whether prices would be sustained long enough to boost revenues of oil-producing Nigeria.
But even if they were, said
Mr Whittaker, the Nigerian

government's commitment to fighting inflation was likely to make it some time before the benefits were allowed to filter

through to the local economy. Meanwhile, the group's other west African markets would be adversely affected by higher energy prices.
Mr Whittaker said the Niger-

ian naira had depreciated by 16 per cent against sterling during the period. Despite this, and the "broadly successful" anti-inflationary policies in Nigeria, the 40 per cent-owned company there put in £4.4m (£3.33m) to group profits.

In the UK, the Cussons tol-

letries business made progress in turnover, profits and market share. The Pearl soap range was relaunched during the year. Expansion is planned at Cussons Australia while in south east Asia the company is working on improving plant and creating distribution net-

works.

The Interperco group of companies in Francophone contin-

**DIVIDENDS ANNOUNCED** 

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
A.Eastern Plantsint	nli	-	1		
Atlas Convert §int	6.5	Nov 26	5	_	15
Attwoodsfin	6.25t	Feb 1	5.5	9.5	8
Barts §int	2	Jan 3	-	-	3.75
Brewmaker §int	0.1	Dec 11	0.1	-	0.2
Edinburgh InvInt	2.75	Dec 3	2.5	-	7
Elewickint	0.22t	Jan 18	0.2	_	0.6
Fameli Electint	2.5	Dec 7	2.1	-	4.8
Likeyint	1	Dec 7	1	-	2.5
Nextint	0.7	Jan 2	2.7	-	4.7
Pat'son Zochoniafin	7.4	Nov 30	6.65	9.45	8.6
St ives	3.5	Dec 4	3	5	4.25
Thorntonefin	2.2	Nov 30	1.68	3.3	2.5
Tudor 9	1	Dec 14	1	-	2.7

Dividence shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue. TOn capital increased by rights and/or acquisition issues. \$USM stock.

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ued in losses. PZ group turnover increased to £224.94m (£205.56m) and generated operating profits of £9.8m (£9.26m). Investment income rose to £17.97m (£16.83m), while interest payable increased to £7.14m (£6.03m).

Earnings per share were 30.51p (30.14p). The final dividend is lifted to 7.4p making 9.45p (8.6p).

**COMMENT** 

Economic gloom in west Africa has been casting a long shadow over Paterson Zochonis' strongly-branded toiletry products for so long that the outsider might be forgiven for wondering why investors countenance this unhappy position. They also might ques-tion why it continues to sit on a cash pile now worth about

key is, of course, that the Zochonis family has controlled the majority of the shares for as many years as anyone can remember so institutional interest in the company's fortunes is decidedly weak. Though nothing ever really seems to change at Zochonis, just at the moment the outlook is looking a little more cheerful in Nigeria while moves to build own-distribution networks for Cussons in south-east Asia appear promising. However, taking into account flattish income from investments mostly in sterling deposits, an even grimmer performance from the Interparco trading operation, pre-tax profits for the current year are likely only to better last year's by £1m or so. Given their cash backing, the shares are spectacularly definations. defensive on a prospective p/e

### £112m net of bank loans. The **BOARD MEETINGS**

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**FINANCIAL TIMES** 

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Where do you stand on nuclear power?

Well, wherever it is, one thing is for sure. Nuclear waste cannot be ignored. And just like the issue, it's unlikely to go away.

For the fact is, even if nuclear energy production ceased tomorrow, we would still have to deal with waste that has been produced in the past.

In the last 30 years, British Nuclear Fuels has been concerned with the whole nuclear fuel cycle.

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We are spending over £2 billion on a programme which allows us to continue dealing safely with nuclear waste.

So what exactly is nuclear waste? A major misconception is that it is all the same. Not true. In fact, it falls into three distinct types which emit varying intensities of radiation.

Consequently, they are dealt with in completely different ways. The most radioactive is <u>High Level Waste</u>, which results from reprocessing spent nuclear fuel.

We can recycle at least 97% of spent fuel into new fuel.

It is the remaining 3% waste that must be carefully dealt with.

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# 

# THE ISSUE CANNOT.

At present, high level waste is stored as a liquid inside double-walled, cooled stainless steel tanks enclosed in thick concrete walls.

However, we have brought into operation a process called 'vitrification,' in which liquid waste is converted into glass and sealed inside stainless steel containers to be kept safe for the indefinite future.

This method reduces the waste to 1/3 of its original volume.

Or, to look at it another way, all the high level waste produced at Sellafield in the last 30 years could be contained in just 4 double-decker buses.

A far less radioactive type of nuclear waste, known as <u>Intermediate Level</u>

<u>Waste</u>, occurs when the nuclear fuel rods are stripped in the first mechanical stage of reprocessing.

The scrap metal, sludge, and residues that are involved in this operation are sealed in cement inside steel drums, and stored in our special encapsulation plant until a suitable long-term home has been found.

At the moment, sites at Sellafield and at Dounreay in Scotland are under scrutiny from geologists to see whether either is suitable for a deep underground repository.

The least radioactive waste of all is <u>Low Level Waste</u>, such as paper towels, gloves, protective clothing and laboratory equipment which not only come from the nuclear industry but from hospitals, research laboratories and other industries where radioactive materials are handled.

Despite the fact that radiation from low level waste is negligible, we take no chances.

At Drigg in Cumbria, we've built and use a concrete vault the size of 12 football pitches, and we are developing a method of compacting this type of waste, which means Drigg won't be full until well into the 21st Century.

If you'd like to know more about the way we manage nuclear waste write to Information Services, Risley, Warrington WA3 6AS for our nuclear waste brochure, or our video.

Better still why not come and visit us at the Sellafield Visitors Centre.

Because, anything you want to know about waste management is contained within it.

### **BRITISH NUCLEAR FUELS**

Managing waste at Sellafield.

### **UK COMPANY NEWS**

# Thorntons rises 14% on resilient chocolate demand

THE UK PUBLIC'S taste for chocolate proved relatively resilient to the squeeze on consumer spending, according to Thorntons, the family-controlled manufacturer and retailer which increased pretax profit by 14 per cent to £11.31m in the 53 weeks to

June 30. The taxable figure, which compared with £9.89m for the previous 52 weeks, was made on turnover up 25 per cent to £76.12m (£60.79m). The figures included a \$6.9m sales contribution, but only a small amount of profit, from the 64-outlet French confectionery business acquired in September last year. Also during the year, the group sold Mary Morrison, its greeting card retailer. Mr John Thornton, chair-

man, said turnover in UK retailing was up by 15 per cent to £52.4m. The number of shops increased by 17 to 205 and the number of franchises by 21 to 138. Like-for-like growth was about 6.5 per cent, with the second half providing the greater improvement — Father's Day had been a partic-

Because the shops offered a lot of low-ticket items, they were insulated against the spending squeeze. "People still have to treat themselves to something," he said.

Sales to other retailers, including Marks and Spencer, grew by 18 per cent to £9.8m, and a start was made on its selling ice cream through

The two French acquisitions. one of which had been lossmaking, had been combined, enabling an office and some shops to be sold, bringing in £1.8m since the year-end. Central distribution had reduced stock holding and chocolate ranges had been introduced from the UK, mostly under the French brand name Martial.

The profit contribution from property sales increased to

£783.000 (£608.000). Interest received fell to £389,000 (£799,000) and gearing stood at 5 per cent in

Earnings per share, benefiting from an over-provision for taration, rose to 12.54p (10.19p). It would have been 11.7p without the tax distortion.

A final dividend of 2.2p makes a total of 3.3p (2.5p).

• COMMENT

Although the like-for-like growth was slower than it might have been in a more buoyant period, Thorntons cer-tainly established its defensive tamiy established its defensive credentials with these figures. It maintained good margins with the help of a 12 per cent improvement in productivity, in a year in which capital spending peaked at about £13m. It also got rid of the noncore Mary Morrison business and achieved a small profit in and achieved a small profit in France, the turnround coming more quickly than had been anticipated. It also made encouraging noises about the French response to its wares, which have been adapted to a less sweet tooth. Meanwhile further progress is being made in the UK via shop o2penings and sales to other retailers. A forecast pre-tax profit of approaching £13m this year gives a prospective multiple of just over 9 on yesterday's closing price of 119p. Not only is the share price below the May 1988 flotation price of 125p, but

tax, rose nearly 7 per cent more than inflation. has gone from a premium to a discount. It now looks worth The two sides estimated that a merger of their breweries would lead to 15 per cent cost

### Maggie Urry details the MMC's findings on the GrandMet/Elders suggested pubs-for-breweries deal Higher beer prices and reduced choice expected to result from proposed merger

<u> </u>	, 10~				P	P		mv. 8	
WHOLESALE BEER prices would be higher and local con-			SF	ARE OF TO	TAL (	JK BEE	R SALES	(%)	8.1
sumer choice be narrower if the Grand Metropolitan/Elders pubs-for-breweries swap went		1976	1985	1989 Total market	By typ Ale**	e of beer Lager	By ty Tied on-trade	pe of cutlet Free on-trade	Off-trade
through as originally envis-	GrandMet	13	12	11	9	13	9	12	14
Monopolies and Mergers Com-	Courage Total	9 22	21	9 20	9 1 <b>8</b>	10 23	10 <b>19</b>	8 20.	10 24
mission has found.  The report on the deal, pub-	Allied Bass	17 20	13 22	12 22	12 20	13 24	13 21	13 26	11 18
lished yesterday, also said that	Whitbread S&N	13 11	71 10	12 10	12 13	12	11	13 13	13 15
two sides were not sufficient to	All national	83	78	77	_	•		19	_
alleviate the adverse effects of	browerst	<del>-</del>	10	<u>"-                                    </u>	75	78	69		81

rigenous arous The sum of individual Squares may differ from totals because of nour

ESTIMATED MARKET SHARES (%)

ed on that sales or implementation of the proposed transaction and of the makined Chandillot and Courage chartes above

ties which gave evidence to the MMC thought it unlikely these savings would all be passed on

to customers.

The MMC decided that the adverse effects of the merger outweighed the benefits. It rec-ommended that it should only be allowed if the combined group's market share was cut to 15 per cent by further sales of brands or capacity. An argument from the deal's proponents that the combined mar-ket share would fall to 15.8 per cent anyway did not cut much

The second and third elements of the deal would result in each side having a 50 per cent share in Inntrepreneurial Estates (IEL) which would operate the Courage pubs and buy 3,565 pubs from GrandMet. It would then sell 1,540 pubs ending up with 6,950 pubs. Of

these 570 would be leased to GrandMet which would also

keep 1,160 pubs.
Of the total held between
IEL and GrandMet more than 6,500 pubs would be "tied" to the post-merger Courage brew-eries. The tie, under which a landlord is required to buy beer from the brewery which ultimately owns the pub, is an important feature of the UK brewing industry. It was attacked in the MMC's report on the industry last year and the government has introduced a measure - the "tied estate order" - intended to weaken order"

The report said that after the deal 30 per cent of the pubs tied to the national brewers would be tied to Courage. The parties propose that supply agreements between Courage and the pubs would start to

post-ordera

19.8

unwind after five years and end completely by 2001. However, the MMC felt that

this was not rapid enough and recommended that the tie to all the IEL and GrandMet pubs should end after five years from the merger. The offer from the parties that 1,067 pubs more than required by the tied estate order should be released. by November 1992 was made into a recommendation. The MMC was also con-

cerned about the concentration of Courage tied pubs within lic-ensing districts. This could push up local retail prices and reduce consumer choice, it said. It recommended that by November 1992 not more than 25 per cent of on-licenced premises should be tied to Courage in any petty sessional district. The parties had offered to reduce the concentration to 20

The MMC also looked at whether Elders having half the voting rights in IEL would allow Courage to put pressure on the pubs tenants and man-agers. Elders offered to put its voting rights into a trust and the MMC recommended that this should be done.

Elders IXL and Grand Metropolitan. A report on the merger situations. Canad 1227, HMSO

### Beer market has shown little change

LITTLE HAS changed in the beer market, the MMC report says repeatedly, since the Commission's report on the brewing industry – The Supply of Beer – was published in March last year.

That report found a "complex monopoly" existed in the beer industry and the conclusion in the new report is that

sion in the new report is that the GrandMet/Elders deal would reduce competition fur-

In the previous report the MMC put forward recommendations to counter the monop oly. But the proposals were watered-down by the govern-ment in what was seen at the time as politicians bowing to brewers interests. In yesterday's report the

MMC notes that the govern-ment announced "a series of less far-reaching measures to remedy the public interest det-riments identified by the MMC" in July last year. That suggests a hint of dissatisfaction at the way its earlier proposals were undermined.

The government's measures resulted in the issuing of two "beer orders". The first demanded that all brewers with more than 2,000 tied pubs should allow tenants to stock a "guest beer" from another supplier. The second said that brewers with tied estates of over 2,000 pubs should sell half the excess by November 1

has had little effect so far because of the time still to elapse before the deadline, the MMC says. But some of the third parties giving evidence to the MMC said that the GrandMet/Elders deal was a way of circumventing that order.
The MMC found evidence that the first order has had little effect so far, partly

because of pressure from the brewery which owns the pubs. The MMC says that it was told "tenants have been somewhat reluctant to offer guest beers, at any rate other than those included on the guest beer list of the owning brewery".

Reasons for this included tenant's concern about threats of rent reviews or of damagin

their relationship with the brewer, brewers demanding that no other brewer's beer should be put through pumps supplied by them and the con-venience of having only one upplier. The Campaign for Real Ale,

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a pressure group, in giving evidence to the MMC "urged us to look with great caution at the extent of the freeing of the market resulting from the beer orders."

The OFT said it had received complaints about the guest beer order but "there was no evidence of widespread measures taken to frustrate the

UK B	REWERS' P	LANTS AND	CAPACITY	1989 .					
	Number of plants	Estimated total capacity (m bbls)	Production (m bbis)	Capacity utilisation (%)					
GrandMet	4	3.6	2.9	<b>81</b>					
Courage Bass	3 13	4.0 11.0	3.7 8.6	92 78					
Ailled	6 .	6.7	5.0	75					
Whithread	8	6.2	5.2	84					
S&N	6	5.2	4.0 .	77					
Others	200*	18.4	7.9	59 -					
	240*	50.1	37,3	75					
"Estimated minimum figure Source: GrandMet/Courage									

### Chelsea Artisans founder stands down as chairman

buying.

By Jane Fuller

MR ROGER LEACH, founder of Chelsea Artisans, the Third Market-quoted maker of spe-cialist glass panelling, has resigned as chairman and director of the loss-making company, which is now centring its attention on the commercial exploitation of the products he helped to

Mr Leach still owns nearly 30 per cent of the equity and has participated in a £61,000 directors' loan to the comp

His successor Mr Tim Jenkins said: "His forte is develop-ing new products" and the company now had to "concentrate on manufacturing and selling the products that have

The biggest drain on resources had been the Chromatic process for putting a col-

oured film on glass panels for

also the rating - tarred with the small company brush -

The company, which lost £61,000 on turnover of £2.64m last year, had sunk a total of 21.5m into developing the prod-uct. "We almost ran out of money at the end of the pro-cess," said Mr Jenkins.

In September, the company's accounts were qualified by the auditors because of a question about adequate banking nents. Mr Jenkins said the FennoScandia Bank had now added \$200,000 to its existing loan facility, making a total of film. The company had agreed to grant the bank an option over 15 per cent of the fully diluted share capital.

Both ICI and Pilkington have provided technical help with the development of Chro-

### Psion agrees US deal on mobile computers

the merger of the brewing

interests.
The MMC proposed its own list of recommendations.

Unless these were imple-

mented "the mergers of the parties' brewing and retailing interests should not be

The deal has three elements

GrandMet, a drinks, food, pubs

and restaurants group, would

sell its four breweries to Elders, to be added to Elders'

three Courage breweries. One of the GrandMet breweries and

of the GrandMet breweries and
440 pubs might be sold to an
outside party.

The merger would reduce
the number of national brewers from six to five, which the
MMC report said, "would significantly increase concentration"

Although the two sides were

relatively weak competitors at present the combined brewery

business would have a market

share of more than 20 per cent. With Bass, the UK's largest

brewer, holding 22 per cent,

this would mean two groups having more than 40 per cent. The MMC was told that

although there was substantial spare capacity in the UK brew-ing industry domestic beer prices had risen in real terms. Between July 1987 and July

1989 the price of a pint of bitter

or lager, excluding duty and

By Michael Skapinker

Psion, the UK computer manufacturer, has reached an agreement with Memorex Computer Supplies of the US to distribute the British company's mobile computers to the American market. The two companies say they

will sign formal contracts shortly. First shipments are expected in November. Psion, which is best known for its hand-held Organiser,

introduced its mobile comput ers at the end of last year. The computers, which weigh four pounds, are the size of a sheet of paper and are under two inches thick. They will be introduced in the US under the

Memorex brand name.

Psion recently announces pre-tax profits for the first half of 1990 of £314,000 (£1,63m),

# Higher margins help Farnell to £15.88m

By Andrew Jack

HIGHER PROFIT margins and interest income helped Farnell Electronics, the manufacturer and distributor of electric and electronic equipment, lift pretax profits 22 per cent to £15.88m in the six months to July 31, compared with

The Leeds-based group reported turnover up 3.5 per income to £1.69 cent to £87.9m (£84.9m). But it the six months. rose by 7.5 per cent excluding AC Farnell, a wholesale dis-tributor of brown goods, which was sold in March. Proceeds of about £600,000 from the sale will appear in the second-half Mr Henry Elstone, group

finance director, said there was steady expansion throughout the group. If there had not been a downturn in the econ-omy, "we would have expected much higher growth," he said.

All manufacturing businesses were profitable and margins were improving as a result of greater integration of the companies within the divi-sion. Overseas sales growth was higher than that in the

Net cash advanced to £15m (£8m), and boosted other income to £1.69m (£436,000) for Turnover increased in all

parts of the distribution division, with the Australian subsidiary in profit for the half year and the German business still in loss but "progressing

Mr Elstone stressed his commitment to developing the German business and said sales had improved substantially following the publication of the second catalogue there in

The first phase of the new 20m building in Leeds began construction in January and should be completed by April. Phase II will begin immedistely thereafter

Minority payments fell to £139,000 (2209,000) as a result of lower sales from Farnell-Tandberg Data, which is 63 per cent owned by Farnell Farnall's latest catalogue has

28,000 product lines, including 2,500 new ones this year. It has a worldwide print run in excess of 100,000 said Mr Elstone, and a further 20,000 circu-

lating in Germany.

Earnings per share rose to 7.4p (6.1p) and the interim dividend is increased to 2.5p (2.1p). The shares closed up 6p at 167p

O COMMENT Farnell's high margin compo-

age value for orders, and a broad customer base, it should hold up well during the second half. But it takes time to build up a market like this, and the German subsidiary could take at least another two years before becoming profitable. For the full year, the UK downturn may hit the manufacturing division, which is reliant on

nent distribution continues to

the past, the company is sitting tight on its large cash pile, and can afford to let interest mount

provide a solid core business. With a reputation for very rapid turnaround and low averrelatively few computer and telecom customers. After some disappointing acquisitions in

share were 7p (3p loss). Mr Martyn Deaner, the

until the right opportunity arrives. The shares are defensive, though not cheap, on a multiple of about 9.8, assuming full year profits of some £35m.

equipment already under construction in Raly, he was optimistic that the work of the last 18 months would begin to show positive results next year.

# \*ABBEY NATIONAL

to the holders of those of the £42,000,000 AMORTISING SUBORDINATED FLOATING RATE SERIAL NOTES

> formerly of ABBEY NATIONAL pic ("Abbey National")

but now of ABBEY NATIONAL TREASURY SERVICES plc ("ANTS")

ted by a Trust Deed (the "Trust Deed") dated 3rd April, 1989 and constituted by a frist beed (use frust beed ) below the plan, took are made between Abbey National Building Society and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as Trustee for the holders of the Notes, as modified by a First Supplemental Trust Deed (the "First Supplemental Trust Deed") dated 10th July, 1989 and made between the same

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF THE NOTES THAT:—

Abbry National requested the Trustee to exercise its powers under the Terms and Conditions of the Notes and the Trust Deed to agree to the substitution in the place of Abbry National of ANTS as the principal debtor in respect of the Notes and the interest coupons appertaining thereto and under the Trust Deed on the basis that Abbry National would guarantee the obligations of ANTS thereby incurred (ANTS's liability under such obligations and Abbry National's liability under such obligations and Abbry National's liability under such guarantee being subordinated in an equivalent matter and to an equivalent extant as Abbry National's existing obligations as principal debtor under the Notes);

(ii) the Trustee, being of the opinion that such substitution and subordinated guerantee referred to in (i) above are not materially prejudicial to the interests of the holders of the Notes, has concurred in the implementa-tion of such substitution and has accepted such subordinated guarantee, in each case with effect on and from 3rd October, 1990; and

(iii) such substitution has been implemented by, and such subordinated guarantee has been given in, the Second Supplemental Trust Deed dated 24th September, 1890 made between Abbey National, ANTS and the

The Notes remain listed on the Luxembourg Stock Exchange but, with effect The Notes ferner issued on the Lucesthourg Stock Exchange but, with exect on and from 3rd October, 1980, as securities of ANTS, under the denomination of Abbey National Building Society (now Abbey National plc) followed by the denomination of ANTS. The definitive Notes and relative interest coupons now in issue will remein valid, but as obligations of ANTS, and eccordingly will not be called in for replacement.

Copies of the Trust Deed, the First Supplemental Trust Deed and the Second Supplemental Trust Deed referred to in (iii) above and the Terms and Conditions of the Notes as modified to reflect the substitution of ANTS in place of Abbey National as principal debtor and the subordinated guarantee of Abbey National are available for inspection and, in the case only of such modified Terms and Conditions, collection at the specified office of each of

Deted 17th October, 1990

issued by: ABBEY NATIONAL pic and ABBEY NATIONAL TREASURY SERVICES pic.

### **Borland** trebled at \$16.13m

MAJOR INCREASES in the sales of its main product lines helped Borland International, US-based software house quoted on the USM, almost treble pre-tax profits in the six months to the end of Septem-

The shares closed 80p higher

at 1053p. Mr Philippe Kahn, chairman, said that the results showed the company's record performance throughout the world.
"We believe that the continued success of our software can be attributed to our broad use and

early adoption of object-ori-ented technology."

He added that the increase in sales of its language prod-ucts was due in part to favourable acceptance of Turbo C++ which was introduced in May. Revenues in the period were

almost doubled at \$93.62m (£48m), against \$48.23m. Taxable profits were \$16.13m (£8.32m) (\$5.47m).

The figures were helped by faster sales growth from \$25.2m to \$52.55m in the first quarter for pre-tax profits of \$9.31m (\$3.52m).

\$9.31m (\$3.52m).

Tax in the six months took \$5.51m (\$1.06m) for income per common share of 73 cents (35 cents) calculated according to US accounting principles. The company said that under UK principles the figures would not be significantly different except that earnings would except that earnings would come out at 78.4 cents (74.2 Net interest income came to \$1.28m (\$63,000 charge) and there was a gain on foreign currency transactions of \$59,000, compared with a loss of \$132,000 last time.

Blue Ribbon helps Elswick advance

With most of the businesses

**NEWS DIGEST** continuing profitable growth and an encouraging first-time contribution from Blue Ribbon

Label, pre-tax profit of Elswick surged to £1.51m in the six months ended July 31 1990. That compared with £647,000 in the comparable period in 1989, and was generated on turnover 26 per cent higher at

£29.87m (£23.7m).

The group produces and supplies specialised print and packaging, professional grass machinery, equipment and services for agriculture, and also bissueles.

Continued availability of tax ses pushed diluted earnings to 0.61p (0.41p). The interim dividend is 0.22p (0.2p).

### Tudor well behind but holds interim

£6.18m, Tudor has seen its pre-tax profit slide from £264,000 to £104,000 in the first half of 1990 However, the trading profit was slightly up on the second half of last year, and the directors have decided to hold the interim dividend at 1p. Earnings per share were 1.39p.

With sales only maintained at

Mr Philip Battin, chairman, said at United Tile, sales decreased to £4.95m with the multiple DIY being entirely to blame. But the company contributed to profit.

### Edinburgh Invest net assets lower

Edinburgh Investment Trust reported net asset value per 25p share down 18 per cent to 212.7p at September 30 1990, compared with 260.5p six onths earlier.

After-tax revenue for the

half year period dropped to £12.75m, against £12.9m last £12.75m, against £12.5m tast time. Earnings per share were lower at 4.34p (4.49p), but the interim dividend has been raised to 2.75p (2.5p).

Directors said that although the oil price had cut growth prospects in most parts of the world, the longer term attractions of Europe and the smaller Far Eastern markets

### further growth Holdings, Baris

**Baris** confident of

USM-quoted fire protection spe-cialist, increased turnover 80 per cent and pre-tax profit 50 per cent in the half year ended August 31 1990.

Mr Robert Smith, chairman, said he was confident of substantial future growth in profits and earnings. Order book currently stood at £17m, against £10m a year ago. In the period sales reached £8.74m (£4.85m) and profit

2908,000 (£605,000). Earnings worked through at 8.3p (6p) and interim dividends are initiated with a declaration of 2p. The group maintained nil gearing with sustained cash

### Fall in cocoa prices hits Anglo-Eastern

Lower cocoa and oil palm prices took their toll on the results of Anglo-Eastern Plan-tations in the first half of 1990, and the interim dividend is passed, against 1p last time. Turnover of the group, which operates in Indonesia, fell from £1.34m to £1.06m and pre-tax profit dropped from £443,000 to £164,000. Earnings

were 0.5p, against 1.1p.
Because of a number of fires
in Tasik, there would be no
production from the affected
area for the rest of the year and 1991. Following negotiations, the group was to investigate all the possibilities connected with

plantation operations in Indonesia in co-operation with Chil-lington Corporation, which holds a controlling interest. **Expansion continues** at Atlas Converting Expansion continues apace at Atlas Converting Equipment. the USM-quoted maker of slitting and rewind machines, vac-uum metallisers and furnaces.

In the first half of 1990 turn

over rose 31 per cent to £17.15m (£13.08m) while pre-tax profit grew 42 per cent to £3.1m There was sufficient orders on hand to meet budgeted output for the year, and the book for 1991 indicated further

growth for that year, the directors said In the period the company delivered a fully automatic machine for slitting photo-graphic paper and a machine for carbonless paper for business forms. Both represented

significant advances in technology, they said. Earnings in the half year rose to 24.4p (17.3p) and the interim dividend is stepped up

### Italian expansion for Balfour Beatty

Balfour Beatty, the UK engineering and construction group controlled by BiCC, is gaining a foothold in the Italian building market with a 40 per cent stake in Cofeal, a newly-formed building and civil engineering group.

Balfour's partner in the venture is Fornara, a quoted holding comment best known for

ing company best known for its engineering and machine-

making activities.
The new venture, which sims to become involved in a range of major civil engineerrange of major civil engineering projects, follows directly on the purchase by Fornara of the industrial activities of Feal, Italy's leading producer of prefabricated buildings, which has now been renamed.

Fornara and BICC have been the tip of the project of the property of the project of the proje

linked since 1988, when the UK group bought Cest Cavi, For-nara's cables operation, in the biggest UK acquisition in Raly

to date. In return, Fornara owns just over 3 per cent of BICC's shares and has one representa-tive on its board. No price for the latest transaction has been

### MSR in profit after drilling units sale

Midland & Scottish Resources, the USM-quoted oil production and services group and a 44 per cent partner in the North Sea Emerald Field, made a firsttime pre-tax profit of £9.5m for the first half of 1990, compared with a £2.1m loss last time.

The profit however, reflected £9.9m exceptional credit from the sale earlier this year of two drilling units. No tax was payable and mid-term earnings per

chairman, said that with the prospects of first oil from the Emerald Field, a firmer oil price in the medium term and the delivery in 1992 of the

# ABBEY NATIONAL

NOTICE

to the holders of those of the
£120,000,000 SUBORDINATED FLOATING RATE NOTES

presently outstanding

formerly of ABBEY NATIONAL pic ("Abbey National") but now of

ABBEY NATIONAL TREASURY SERVICES plc ("ANTS") constituted by a Trust Deed (the "Trust Deed") dated 23rd December, 1988 and made between Abbey National Building Society and The Law Debenture Trust Corporation p.i.c. (the "Trustee") as Trustee for the holders of the Notes, as modified by a First Supplemental Trust Deed (the "First Supplemental Trust Deed") dated 10th July, 1989 and made between the same

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(II) the Trustee, being of the opinion that such substitution and subordinated guarantee referred to in (i) above are not materially prejudicial to the interests of the holders of the Notes, has concurred in the implementation of such substitution and has accepted such subordinated guarantee, in each case with effect on and from 24th September, 1990; and

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and accordingly was not be cased in for replacement.

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Dated 17th October, 1990

ABBEY NATIONAL plc and ABBEY NATIONAL TREASURY SERVICES DIC.

#### **COMMODITIES AND AGRICULTURE**

# Suspicions of Middle East Brazil selling as gold plunges \$18

By Kenneth Gooding, Mining Correspondent

chaotic day in the gold market ended last night with the London price phinging by \$18.25 a troy ounce to close at \$361.50 lower than its level before the

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Gulf crisis blew up.

The affirmoun price "fixing" session in London lasted an hour and 45 minutes, the second-longest in memory. During this time gold touched \$360 an ounce before recovering a little in he fixed at \$362 \$7. to be fixed at \$364.75, the low-

est since July 23.

There were very strong rumours that the same Middle East syndicate, operating through the National Commercial Bank of Jeddah, had hit the market for the fourth time this year, selling gold and buying sterling.

Traders suggested the Saudi syndicate attempted to sell in

Nauru seeks phosphate earnings boost By Dai Hayward in

Wellington IN THE last 70 years the tiny South Pacific island state of Nauru has seen its island sub-stantially depleted in size as nearly 100m tonnes of its rock phosphate has been shipped to New Zealand and Australia for

New Zearmi and Australia incurse use as fertilizer.

Now with only 20 years' estimated supply of phosphate fertilizer remaining the Nauru. government is considering setting up its own super-phosphate works. Engineering experts are advising the gov-ernment on the feasibility of the proposal.

Nauru claims it is not getting a fair price for its rock phosphate exports. Imports necessary to run the operation would be carried from Australia in glant rubber bladders in the holds of returning ore ships that had discharged rock

phosphate cargoes.

Nauru is suing the British,
New Zealand and Australian governments for \$NZ135m (£42m) as compensation for mining between 1920 and 1969. The claim is now before the International Court of Justice in the Netherlands.

ANOTHER HECTIC and London at lunch time but met ers. \$410 seems to be the cellwith a poor reception. It waited for New York to open and then

had more success at driving down the price, at which point other Middle East and Far East investors and US funds added to the selling pressure.

Gold was already under pres-sure overnight and early yes-terday because Australian pro-ducers had been selling

forward to take advantage of the current weakening value of the Australian dollar. Since the close on Friday,

gold has dropped by \$26 an ounce and some analysts suggested last night that the fall had been too steep. Mr Michael Spriggs, analyst at S.G. Warburg, said that, if gold recovered, the price would not go back up very far. "There will be more selling by produc-

in spite of Gulf crisis

By Lim Siong Hoon in Kuala Lumour

in the doldrums in spite of the Gulf crisis and the steep rise in the cost of oil, the main ingre-

dient of the alternative syn-

For the rubber market to

remain soft is something of a puzzle to analysis. One explanation is that traders are not confident that oil prices will

stay high for long. Their response so far has been to "wait and see", as is evident in the listless trading in Kuala

Impur and Singapore.

In August, natural rubber prices rose when the US bought substantial tonnages for its defeace stockpile. But

since the US halted its pur-

chases in September, prices monitored by the International

Natural Rubber Organisation

have fallen back to the pre-cri-

Inro's daily indicator price,

which averages the principal markets in Kuala Lumpur,

Singapore, London and New

York, stood last week at about 179 Malaysia/Singapore cents a kilogram, 8 cents above its "may buy" level of 176. The Malaysian Rubber Exchange and Licensing Board

MINOR METALS PRICES

thetic rubber.

ing."
Mr Andy Smith, analyst at
UBS Phillips & Drew, pointed
out that the market was "extremely nervous" and said this might lead to sharp price movements in either direction. "But the price looks a bit low,"

Meanwhile, the fall in platinum's price continued yester-day and it closed in London down another \$9.75 an ounce at \$394.5. Platinum has fallen steadily in recent weeks as fears about a global recession gained ground

Traders said there was little genuine interest in other pre-cious metals yesterday. Silver was fixed at its lowest for 14 years at \$4.20% cents an ounce before edging up to close at \$421.

but these have nowbeen scotched and the board is stick-

ing by its forecast that Malay-sian output will be below last

Long term supplies seem plentiful and assured, since they come from South-East Asia and not the Gulf region. Thalland and Indonesia, where

labour supply is plentiful com-pared to Malaysia's, have over the past two or three years

taken steps to raise their yields

and expand their rubber acre-

This year they are likely to

produce 1.22m tonnes and 1.26m tonnes respectively, up from 1.18m and 1.25m tonnes

last year. In 1991, their output is expected to rise further still,

Thailand's to 1.25m tonnes and

Indonesia's to 1.3m tonnes.

Malaysian output from January to July amounted to 708,136

tonnes, down 12 per cent from 807,285m tonnes during the cor-responding 1989 period.

year's L4m tonnes.

over the next few months, and therefore on the dollar/cruzeiro exchange rate.

A shortage of soyabeans, prices of which surged by 40 per cent at the beginning of this month, is beginning to show up at the consumer level. Rubber price in doldrums A study by the newspaper Folha de Sao Paulo revealed that there was no rice on the shelves of six out of eight NATURAL RUBBER prices are in the doldrums in spite of the Gulf crisis and the steep rise in 1990 from 1.42m tonnes to 1.35m tonnes before the Gulf supermarkets inspected in Sao Paulo. Many supermarkets opted to suspend soyabean purchases until the price rises were absorbed in the general The August price increase raised hopes that higher production would be encouraged,

importing

soyabeans

By Victoria Griffith in Sao

A SHORTAGE of rice and

soyabeans, the main staples of the Brazilian diet, has forced food groups to turn to the US,

Argentina and Chile for

imports.

At least two large groups in Sao Paulo - Camil and Tio Joao - have decided to import rice from the US to make up for insufficient supply in the local market. Between them

they will import about 40,000

tounes this week.

According to Mr Jayro Quartiero, sales director of Camil, the supply and price of rice in the local market will depend

almost entirely on imports over the next few months, and

rice and

inflation rate. Mr Aldemar Tavares, soyabeans analyst at the Company of Finance and Production, a government agency attached to the Ministry of the Economy, denied that there was a serious shortage of the product in Brazil but admitted that imports weekly from the US imports, mainly from the US, Argentina and Chile, were well up on last year. He attributed this to a short-age of credit in the internal

market. Profits from sales are only funds available to finance planting of the next crop. Mr Tavares predicted that supply levels would return to normal in November.

**Jamaica lifts** bauxite output

JAMAICA'S BAUXITE output in the first nine months of this year reached 8.21m tonnes, 25 per cent more than the corresponding period of last year, the Jamaica Bauxite Institute reported, writes Canute James in Kingston.

Alumina (aluminium oxide) production rose by 46.8 per cent to 2.14m tonnes in the The institute is projecting

will be at least 15 per cent more than last year, while alu-mina production is expected to grow by 30 per cent. Banxite production last year was 9.4m tonnes, with alumina produc-

Close

# Steep rise in copper demand forecast

COPPER CONSUMPTION may grow by as much as 2.8 per cent a year, taking the total consumed in the world including the former communist bloc countries and China from 11m tonnes last year to 14.4m tonnes by the year 2000, according to Mr Richard Osborne, president of Asarco, one of the world's biggest producers of the metal.

Asarco sees the intensity of world copper use increasing from 4.7 lb per head in 1989 to 5.2 lb by 2000 while the world's population (including the Soviet Union, other former communist bloc countries and China) is growing by more than 900m. It expects extra demand to come from the re-industrialisa-tion of former communist

countries, excluding the Soviet Union, which will require an extra 350,000 tonnes a year.

Moreover, rapid industrial expansion in south east Asia, which has seen annual growth of 20 per cent in copper consumption, was not likely to abate, Mr Osborne told a conference in Sweden. From less than 25,000 tonnes of copper consumed in 1973, the market

World copper consumption per capita vs. population growth Pounds per person

Taiwan and Malaysia had grown to nearly 450,000 tonnes last year so that those coun-tries now consumed more than 5 per cent of western world

70

75

85

nsumption. Mr Osborne pointed out that newly-industrialised countries had contributed to renewed growth in copper's western markets. Copper demand had reversed from a 0.1 per cent annual decline between 1973 and 1983 to a 4.5 per cent rise since then and that trend was

applications of copper regaining popularity. I refer particu-larly to architectural, automotive, electronics and building wire applications for copper." The use of fibre optics in communications, once considered a threat to copper, was

now likely to be a "net plus". More copper was being con-sumed in devices at either end

95 2000

of the fibre optic communica-tion links than was displaced by the cable itself, suggested Mr Osborne. unlikely to stop. "We are seeing many old and historic forecasts about copper's con-He admitted that Asarco's

sumption growth were more optimistic than most others. Those have mainly suggested growth between 1 per cent a year and 2.5 per cent. For example, a recent report for the Japanese Ministry of International Trade and Industry (Miti) suggested that demand for the metal would increase by an annual 1.4 per cent, taking the total required in 2000 to 12.7m tonnes.

Mr Osborne further added:

"The future is never assured and a number of events could conspire to derail my admittedly optimistic view. War, energy crises, or major shifts in the world's political struc-tures could slow the growth potential we see in the world economy. Technological change or complacency about market development could alter the role we see for copper in the coming decade of indus-trial development."

#### The ups and downs of Nigerian cocoa

William Keeling on moves to boost returns from a troubled sector

THE UNPREDICTABLE cycle of the interna-tional market is the bane of cocoa farmers worldwide; but for Nigerian growers it is a minor irritation in com-parison to the vagaries of the domestic market. In the past four years the farmers have been sent on a roller-coaster ride of artificial highs and

crashing lows.

Over the past two decades the combined effect of a controlled exchange rate, the high cost of labour and inputs, poor extension services and low farm-gate prices imposed by a notoriously corrupt cocoa purchasing board have pushed the industry into decline. Annual production fell from more than 200,00 tonnes in the 1970s to just 106,000 tonnes in 1986.

In June that year the government tackled the problem by abolishing the cocca purchas-ing board. The price paid to farmers trebled, but not alto-gether for the best reasons. Cocoa had been identified by speculators as a means of con-verting local currency into forsign exchange at a time when the former was rapidly being

By the close of the 1988-89 season farmers were being paid

market price.

However, when the government decided to squeeze liquidity to bring down inflation commercial lending rates rocketed above 30 per cent. The speculators ran out of money

and the bubble burst. Also likely is a reduction in the Farm-gate prices crashed from 24,000 naira a tonne to under N7,000 (£470) a tonne today, leaving many farmers financially over-extended. But when the government announced measures to stabilise the market they were in for a greater shock. In a conare signs of new investment troversial move a ban was

The fears of the farmers are all too clear. This season's crop is expected to be in the region of 160,000 tonnes but Nigeria has an annual processing capacity of just 90,000 tonnes. And the three factories which make up that capacity are in dire need of rehabilitation. Officials say that last year the factories operated at under 15 per cent of capacity and that they have never achieved a

announced in January on the export of cocoa from the start

rate of more than 45 per cent. The prospect of the ban is already having an effect on the new season. Cocoa-buyers are only purchasing what they know they can export quickly, so as to avoid being left with large stocks at the end of the year. If the ban goes ahead the farmers may well find the major part of their crop unsale-

in supply, the domestic proces-sors will pay rock-bottom prices for the beans they need. Analysts predict that farmers, having no incentive to produce, will begin to cut back on the current 650,000 hectares. use of pesticides and fertiliser, which will lead to a fall in quality and an increase in black pod and swollen shoot On the brighter side, there

coming into cocoa-processing Afro-continental, the second largest export company in Nigeria, is planning a \$10m investment in a factory with a capacity of 10,000 tonnes a year. The factory should be up and running by October next year. Analysis say that Nigeria may have as many as five new processing factories by the end of 1992 with a total capacity of 50,000 tonnes a year.

Finance is also being sought for the rehabilitation of the three existing factories. But analysts estimate that even taking into account new investment the factories will struggle to operate at more than 55 per cent of capacity. As one trader commented: "On an optimistic forecast farmers will be left with around 50,000 tonnes unsold each year for the next five years. And that presumes Nigeria can market its new products."

Observers believe that there will be low international butter and cake the factories will produce. The Cocoa Asso-ciation of Nigeria advised its members in a recent newslet-ter that if the country was to find a market for the liquor "she would have to import

CRUDE Oil. (Light) 42,000 US gails \$/barrel

beans from other countries to achieve favourable blends. The association also warned that both liquor and butter were "highly perishable... Under our ambient temperatures and humidity." As for cocoa-cake, analysts say there is a limited demand for it on the international market.

Processing factories are likely to struggle in what a world bank official described as "an already competitive, high-risk and low-return industry." This may lead to the factories exerting downward pressure on farm-gate prices and delaying payment for the crop until after the beans have been processed and the products sold. The trust between the farmer and the buyer is almost certain to be strained, increasing the incentive for the farmer either to cut back on acreage or to engage in smuggling. Some analysts still believe

that the government will at least moderate the ban under pressure from farmers and commercially-powerful traders: six of the top ten non-oil exporters, including the top three, rely on cocoa beans for their business. But against them is the argument that if economic growth then it must secure the means to process its own raw materials. The government apparently supports this argument and is willing to

Chicago

Prices from Metal Bulletin (last. (246-2,60).

week's in brackets). COBALT

ANTIMONY: European free market, 99.6 per cent, \$ per in warehouse, 1,630-1,680 14.00).

BISMUTH: European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 2.80-3.00 (same)\_

CADMIUM: European free

COBALT: European free MERCURY: European free

market, min. 99.99 per cent, \$
per 76 lb flask, in warehouse,
175-200 (180-200).

MOLYBDENUM: European free market, drummed molybmarket, min. 99.5 per cent, \$ dic oxide, \$ per lb Mo, in ware-per lb, in warehouse, 2.30-2.50 house, 2.72-2.78 (2.78-2.85).

SELENIUM: European free market, min 99.5 per cent, \$ per market, 99.5 per cent, 3 per lb, d. 80-5.40 (4.80-5.50). in warehouse, 13.00-13.50 (13.00 TUNGSTEN ORE: European free market, standard min. 65 per cent, \$ per tonne unit (10 kg) WO, cif, 36-49 (same).
VANADIUM: European free market, min. 98 per cent, \$ a lb VO, cif, 2.50-2.60 (2.75-2.85). URANIUM: Nuexco exchange value, \$ per lb, UO, 11.45 (same).

(\$ per tonne)

#### WORLD COMMODITIES PRICES

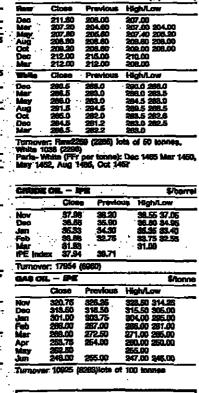
#### **MARKET REPORT**

the Ivory Coast and a slightly larger than expected 9.47 per cent rise in the third quarter UK grind falled to support cocoa prices in London yesterday. The March contract shed £14 to close below the support level of £700 a tonne. Dealers said the next downside objective was a test of the contract low of £690 for March. The physical market was quiet. There was some talk that ivory Coast may have sold a small quantity of cocoa for first quarter 1991 shipment on Monday, but details were scarce and some traders were doubtful about whether business took place. In New York

#### **London Markets**

Crede all (per berral FOB)		+ or -
Dubei	\$32.80-2.90y	+1.176
Brent Bland (dated) Brent Bland (December) W.T.L. (1 pm est)	\$36,00-9.00 \$36,70-6.85 \$37,25-7.30y	+ 1.15
Oli predicts (NWE prompt delivery per t	onne CiF)	+ 07-
Premium Gasoline. Gas Oil Heavy Fuel Oil Heaviths Petroleum Argus Estimales Petroleum Argus Estimales	\$367-392 \$933-334 \$136-127 \$363-368	-15 -41 <sub>2</sub> -7
Other		+ or -
Gold (per truy cz) Silver (per truy cz) Platinum (per truy cz) Palladium (per truy cz)	\$361.65 4210 \$363.5 \$87.1	-18.25 -2 -9.75 -4.9
Atuninam (free market) Copper (US Producer) Land (US Producer) Moles (free market) Tin (Mark Limpur market) Tin (Mark Limpur market) Zinc (US Prime Western)	\$1935 130c 50c 420c 16,84r 291c 73c	+110
Cattle (live weight)† Sheep (deat) weight)† Pigs (live weight)†	99.93p 125.90p 73.90p	+0.30° -6.81° -2.58°
London daily sugar (rew) London daily sugar (white) Tate and Lyle export price	\$241.7q \$287.5q £232.5	-4.5
Barley (English feed) Melza (US No. 3 yellow) Wheet (US Dark Northern)	£114 £155.5 £81	-0.5 +1
Rubber (Nor)♥ Rubber (Dec)♥ Rubber (KL RSS No 1 Nov	50.50p 50.50p 237.6m	+0.50 +0.50 -2.0
Cocorus eli (Philippines)s Peim Oli (Malayalan)s Copra (Philippines)s	\$197.50	-2.5
Soyabeans (US) Cotton "A" Index Wooltops (64s Super)	£143 81,25c 418p	-0.10

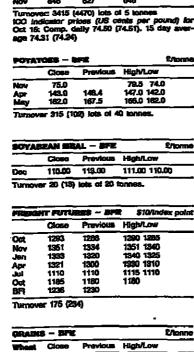
prices were falling at midday as commission house computer managed funds stepped up liquidation. On the LME copper prices eased, undermined by steadily rising stocks and a lack of fresh supportive factors. LME warehouse stocks rose 2,050 tonnes to 195,425 tonnes and are nearing levels reached five years ago when they surged to 213,350 tonnes from 105,075 tonnes over three months. Concerted fresh selling has been deterred by concern over possible options related tightness, potential supply disruption from African producers and a strike at Peru's Centromin.



West	a room specified and shipment sales for the sk ending October 12 amounted to 578 nee against 115 tonnes for the previous sk.
852 f Ar	rei ober/November c and f Dundee BTC 0, BWC \$540, BTD \$480, BWD 485; c and Novem BTC \$605, BWC \$805, BTD \$455, D \$465.

672 655 718 896 741 723 765 747 783 771 810 802 840 831 Turnover: 6058 (6571) lots of 10 tonnes 1CCO Indicator prices (SDRs per tonne). Dally price for Oct 15 898.78 (824.81) 10 day average Previous High/Low Close 594 606 596 598 612 627 800 593 671 603 600 592 604 596

Close Previous High/Low



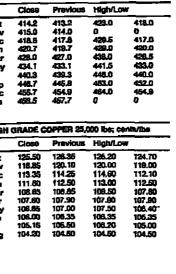
W 13.95 17.90 21.76 25.10 W 12.75
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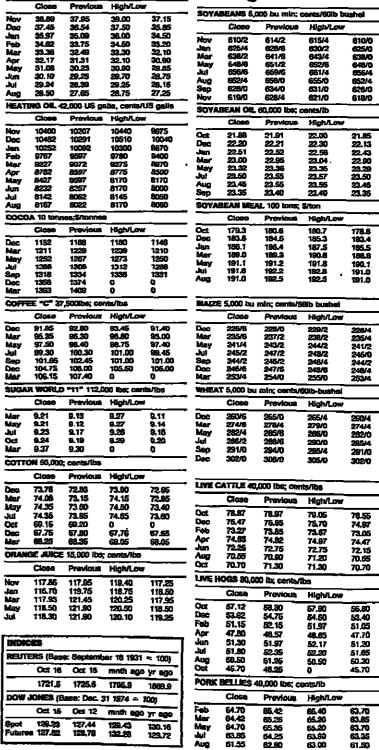
Turnover 12 (12) lots of 3,250 kg

#### (Prices supplied by Amaigamated Metal Trading) AM Official Kerb close Open Interest m, 99.7% purity (\$ per tonne) Cash 1693-8 3 months 1771-3 78,287 lots Total daily turnover 33,826 lots 1375/1372 1353/1322 Cash 1341-8 3 months 1326-7 Total daily turnover 3,301 lots Lend (2 per torme) Cash 374-6 3 months 378-90 382/382 383/373 Total delify turnover 2,991 lots Hickel (\$ per tonne) Cash 9075-125 3 months 8725-75 8.173 lots 8750-6 Tin (\$ per tonne) 8.488 lots 6260-80 Cash 1343-5 3 months 1344-5 Little Closing £/\$ rate: 8POT: 1.9550

Gold (fine oz	\$ price		equiv	alent .
Close	362-363		185-195	<u>,                                     </u>
Opening	375-3751	2	1934-11	334
Morning fix	375.15	_	193,207	-
Attennoon fix			185.335	
Day's high	376-3761			
Day's low	35812-36	3		
Coles	\$ price		viupe 3	plent
Mapleleat	375-380		191-194	
Sritennia.	375-380		191-194	
US Eagle	375-380		191-194 191-194	
Angel Krugerrand	375-380 361-364		184-186	
New Sov.	85-86		434-44	
Old Sov.	85-86		84-4	
Noble Plat	398.15-40	4.60	204.55-2	07.86
Silver fix	p/fine cz		US cts (	equiv
Spot	217.10		420.25	
3 wouthe	224.60		(28.80	
6 months	231.75		97.35	
12 menths	245.20		454.35	
Thursd OF				
Akumiakan (9	9.7%)	Calis		Puès
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	53	45	65	120
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#### New York Close Previous High/Low 362.0 363.3 365.1 369.0 372.7 370.7 390.6 384.6 368.7 375.0 376.5 378.5 382.5 386.4 390.4 394.3 398.5 402.8 0 376.0 379.5 393.9 387.9 391.8 PLATERIAL SO troy oz. Sitroy oz. Close Previous High/Low 368.5 393.0 396.2 403.5 409.0 394.1 396.6 401.8 407.2 412.7 396.0 403.0 408.0 412.5 413.0 387.5 388.1 394.5 400.0 415.0 SELVER 5,000 troy az; centu/troy cz. Close Previous High/Low 414.2 415.0 418.8 420.7 428.0 434.1 440.3 448.7 455.7 413.2 423.0 418.0 414.0 417.8 418.7 427.0 433.1 439.3 445.8 454.9 467.7 HEGH GRADE COPPER 25,000 lbs; cents/lbs





#### HORT WORK M A K I N G H A U L. Lo F N G

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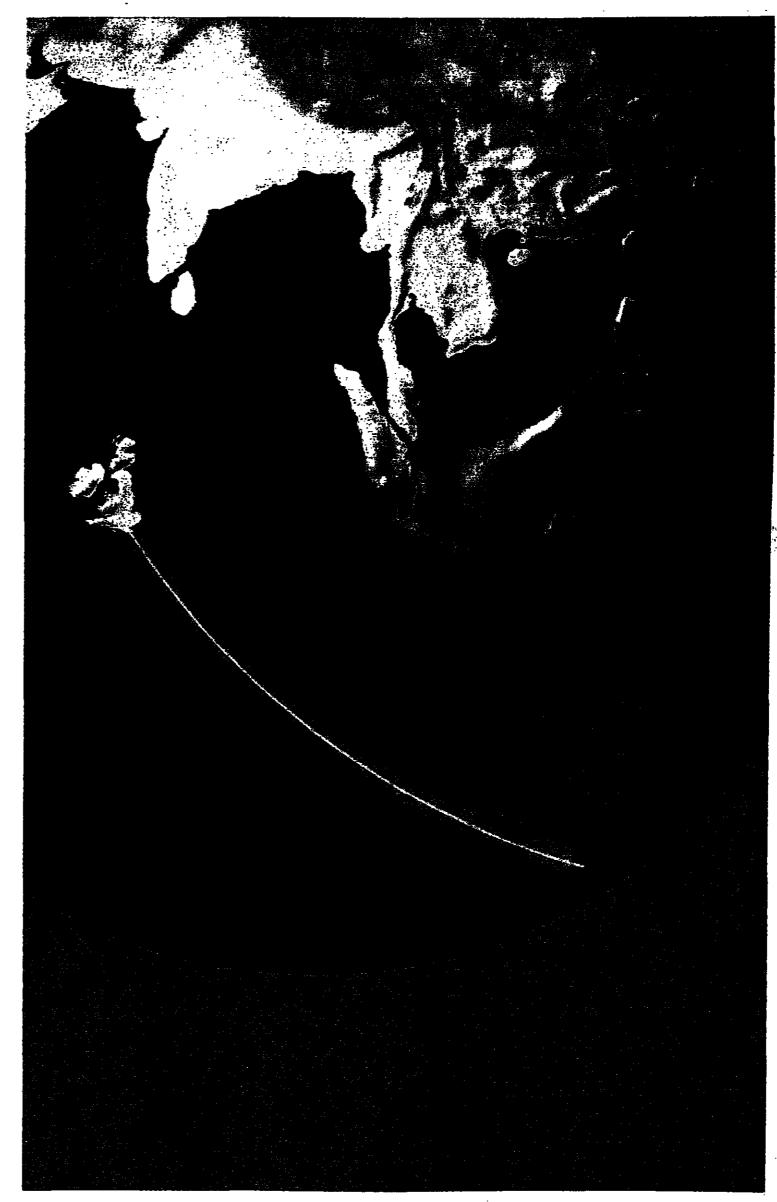
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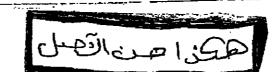
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THE COLOUR OF INNOVATION





#### **LONDON STOCK EXCHANGE**

# Equities close below FT-SE 2,100

down in economic activity in the UK undermined early confidence on the London stock market yesterday, and drove the FT-SE Index below 2,100 for the first time since the announcement of ERM entry and cuts in domestic intere rates. Equity trading volume was unimpressive, however, and the chief impetus came from the futures sector, where two leading trading houses December futures contract.

turned sellers of the FT-SE In early trading, the market tried to move forward, helped by firmness in Tokyo and New York overnight, and also by a further dip in starting in the

Асеон	st Dealing	Defes
Pirat Declings: Oct 8	Oct 22	Nov 6
Oct 18	Nov T.	Nev 15
ant Dealloge: Oct 19	Hoy 2	Nov 16
Loopmat Days Oct 20	Nov 12	Nov 25
How there don't	ngs spay take	plate front

early part of the session. Equities at first put on more than 18 points on the Footsie scale. There was little mitial reaction to the day's batch of economic data, announced at midmorning. However, a fall of 0.5 per cent in UK industrial production in August compared with market expectations of a small rise. Also at the wrong and of predictions was a Public Sector Borrowing Requirement

The downturn in the market came shortly afterwards, when a US trading house and then a UK house sold the Footsie futures contract aggressively. The affect on equities was all the greater since the morning session had been featured by a number of basket trades, in which the big investment houses took advantage of a 90point premium on the future to sell it hard and buy the under-lying blue chip stocks; a profitable, if short-term, operation.

As the futures premium halved, the gain on the FT-SE Index itself was swiftly reversed, sending the index below 2,100, which has been regarded as the bottom of a new post-ERM entry trading range. The Footsie has struggled to hold above 2.100 since the ERM announcement stunned the market on October

A rally was attempted when Wall Street opened but this vanished when the Dow also reversed an early gain. The FT-SE closed 18.3 down at 2,083.6, a couple of points above the day's low. Seaq volume, boosted by futures "basket" trades during the morning, and by a handful of overnight tax-loss trades at

the close, increased to 381.8m shares from the 315.5m of the previous session.

Brewery shares responded cautiously to the decision by the UK Monopolies and Merg-ers Commission to ban the proposed breweries and public houses deal between Grand Metropolitan and Elders IXL ss suitable undertakings are obtained". Also attracting attention on the corporate front were the widely expected cut in interim dividend by Next, the high street fashion retailer, and the decision to continue suspension of Polly Peck shares in London, although they resumed trading

Around half the decline in

profits was attributed to the

company's 29.9 per cent stake

in Tilbury Group, 5 firmer at 463p. While Tilbury contrib-uted £2.4m in profits, the cost of carrying the position was

Unilever eased 4 to 654p after several brokers lowered their

profit forecasts. Hoare Govett

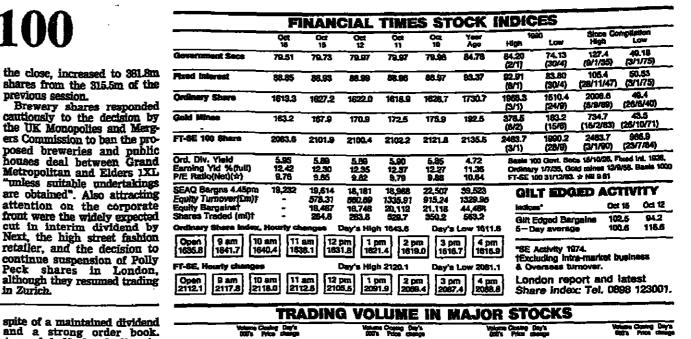
cut its 1990 forecast to £1.83bn

from £1.865bn, while Panmure

Gordon moved to £1.823bn

from £1.85bn. Hoare expects

estimated at around £3m.



#### **BAA** hit by traffic figures

BAA, operator of airports in the UK, was the worst per-former in the FT-SE 100 list after the company posted its September traffic figures. The rise of 2.4 per cent on the previous year was disappointing, according to Mr Dan White of County NatWest WoodMac.

re was also a recurrence of stories that ADT, the Bermuda-based conglomerate, was trying to sell its more than 8 per cent equity interest in the company. ADT raised its stake in Lep Group this month from 21.8 per cent to 27.3 per cent amid talk that prior sales of BAA stock had provided the

Traders said that one securities house had been trying, so far unsuccessfully, to arrange a bought deal for ADT's hold-ing in BAA. A bought deal is when a broker buys a stake in a company with the intention of selling it on to clients.

Analysts were also keen to mention longer term uncertainties over BAA. S.G. Warburg said the traffic slowdown only added to concern over next year's regulatory review and to the loss of duty-free sales to intra-Europe travellers after 1992. Mr Mark Laurence at Carr Kitcat & Aitken added that the cost of new terminals would hold back earnings. BAA fell 21 to 379p and ADT

slipped 2 to 110p, while Lep added 3 at 177p, having peaked

Flying high Smiths Industries defied the

overail market trend with a rise of 6 to 202p. Analysts believe the UK group will benewon this week by Boeing the US aircraft manufacturer, which is Smith's biggest cus-

tomer.
The Boeing order, from United Airlines (UAL), was a disappointment, however, for the competing European Airbus industrie consortium, and also for Rolls-Royce, which had hoped to win the \$4.6bm sero engine contract involved, placed in the event with Pratt & Whitney, of the US. The blow was softened for the consortium by news of orders from Alitalia for 20 additional ASIIS aircraft, increasing firm orders for this type to 40 for a total investment of 83.1bn. British Aerospace, UK member of the consortium, gained 4 to 549p.

Rolls-Royce improved on hopes that British Airways will follow UAL's lead and place large orders this autumn for

Boeing 777s. BA usually insists on Bolls-Royce engines in its aircraft. A buy recommendation from an investment house encouraged the advance in Bolls shares, which closed a pency harder at 172%p.

#### Racal debate

A profits downgrading of the Racal twins by County Nat-West, after what the securities house described as a very disappointing September for Vod-aione, Racai's cellular network, prompted heavy activity in Racal Electronics stock. Estimates of new Vodafone sub-scribers for September were around 11,000, down from the 11.500 in August

Some 9.2m Racal Electronics shares changed hands, with the stock initially down to 148p before a rally left the share price only a shade easier at 149p. Racal Telecom dipped 6

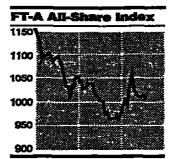
County's Mr Patrick Welling ton lowered his profits forecast for the year to March 1991 by £25m to £255m and that for the year to March 1992 from £360m to 2325m. He reduced his estimate of new Vodafone sub-scribers for the year to March 1991 from 190,000 to 180,000 and for the following year from 170,000 to 140,000.

Mr Chris Tucker at Carr Kitcat & Aitken also took a cau-tious line on the Racal stocks, saying: "The slowdown is a net Vodefone additions in August and September - normally the best months of the year — is particularly omi-nous; there is a high probabil-ity for more downgrades." Other analysts, however, took a much more positive

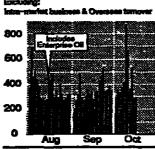
view. Mr Robert Pringle, telecoms analyst at Hoare Govett, said: "Sentiment in the cellular market will turn over the next six months." At BZW, Mr Paul Norris said BZW's own research revealed a marked uplift in cellular growth during ber offered considerable relief; the Racal stocks are very much a buy and will prove super value for UK investors willing to sit out the cyclical and US

Most internationals lost Most internationals lost ground as sterling steadied after recent weakness. Reuters retreated 16 to 697p, Reckitt & Colman dropped 35 to 124p and BAT Industries fell 11 to 532p. All had shown gains in early trading.

Glaxo weakened after the chairman said US approval for its migraine drug Imigran



Equity Shares Traded Turnover by volume (million)



would take three to four years. Analysts had hoped for approval within two years. Giaxo fell 19 to 744p.
Publicity given to the spread of Aids among UK heterosexu-

als underpinned Wellcome. The shares added 10 at 468p. Worries revived about the final dividend and exerted fresh pressure on Trafalgar House. Marketmakers said business was thin for most of the session, although it improved late, and they expressed concern over the stock's current volatility. "The amual results (due in Decememinial results (the in December) can not come quickly enough," sighed one trader. Trafalgar lost 13 to 195p.
Gestetner also traded nervously, losing 7 to 183p. Analysts thought the Eurocopy effect which is about photo-

affair, which is about photo-copier contracts and customer complaints, was washing over the company. Institutional investors are cautious, is no problem (Gestetner earns over 90 per cent of its profit overseas) and the fundamen-tals are good, said one. Euro-copy fell 5 more to 188p, equalling its low point of the year.

Another decline by crude oil prices led to widespread but generally minor selling of the oil issues. The biggest turnover was in Shell, which settled 3 off at 452p on turnover of 5.5m, while RP ended the session 4

cheaper at 339p on 4m. British Gas shed 5 to 218p on thin turnover of only 3.4m. Reports that privately-owned **NEW HIGHS AND LOWS FOR 1990** 

Dutch group SHV could be con-sidering a full bid for the company, after its takeover tilt at Foseco, boosted Burmah Castrol 5 to 460p, after 464p, on turnover much improved at 2.2m. Calor, on the other hand, lost 9 to 227p as the market took the view that a successful acquisition by Burmah would reduce the chances of an eventual merger betwen Burmah and Calor, a move long mooted by a number of oil sector spe-

Abbey National slipped 4 more to 223%p, still unsettled by stories of an imminent sell note. Midland, still beset by worries about a long delay to the expected merger with HongKong and Shanghai Banking, lost 3 to 187p. Other high street banks, however, moved higher, with Barclays 3 firmer at 357p on 3.7m and NatWest and Lloyds 2 better at 256p and 285p respectively.

Merchant banks came under more downward pressure, with S.G. Warburg 10 off at 318p, Kleinwort Benson 5 easier at 287p and Nambros, where Bal-tica's 14 per cent stake is thought to be on offer, 4 lower

at 214p.

There was little let-up in the selling of the composite insurers, most of which emanated from one of the US investment banks. General Accident lost 8 more to 462p and Sun Alliance 5 to 304p. In the life insurance sector, Legal & General sector, Legal & General declined 7 to 386p. Newly merged insurance broking group Willis Corroon added 6 at 197p. The proposed 60p a share capital repayment, redemption of the variable rate convertible loan and change of name to Sterling Trust boosted

Dewey Warren 7 to 70p. The apparent blocking by the Monopolies and Mergers Commission of Grand Metro politan's pubs-for-breweries swap with Elders left the shares lower after early strength. Mr Mike McCarthy at Smith New Court said, howthe deal would probably go ahead. GrandMet recovered from the worst to end 8 lower on balance at 558p.

**Building** and construction related stocks were virtually ignored for much of the day. Once again leading shares, such as Blue Circle (21bp, down 3) and Redland (573p, off 3), all recorded turnover of less than 1m. Attwoods, the gravel extrac-

tion and waste disposal con-cern, paid dearly for comments by the company stressing that a slowdown in US economic activity would make past rates of growth difficult to maintain. This more than offset a near 28 per cent rise in annual profits and a dividend total up to 9.5p per share from 8p. The shares altipped 12 to 426p.

A 20 per cent drop in half-year profits pushed Lilley 5% lower to 45%p. The fall came in

| Volume | Carlot | Defin | Defin | Carlot | Defin | D £2.02bn next year, down from £2.04bn, while Panmure also forecasts a more bearish 1991. Mr Richard Workman of Hoare said Unilever had been a strong performer but he was not optimistic about the out-look for its underlying sales growth over the next six to 18 months. Meanwhile, Panmure believed the strength of sterling and a weaker US economy

Brit. Foods ....

would reduce profits growth. Both brokerages recommended and into the NV, which is cur-rently trading at a discount of just under 2 per cent.
Ranks Hovis McDougall rose
3 to 307p in low volume trading on scattered speculation that Sunningdale's 29.2 per cent would soon be placed. How-ever, analysis believed that an

4 at 320p due to short covering in the traded options market of the October 300 calls. Engineering issues largely confined to the side-lines. Wagon Industrial moved up 18 to 334p on news that one of its subsidiaries, Link 51, is to sell its steel cold rolling and

imminent placing was unlikely. United Biscuits added

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 4.50pm Steel of Staffs, to British Steel. The deal is estimated to be worth £8m after including the value of stock and savings through lower investment in working capital. British Steel

ended half a penny lower at Further delays in delivery by Davy Corporation of the float-ing production facility for the North Sea Emerald Field pushed the shares down 3 to 55p. The semi-submersible oil platform, delivery of which has already been postponed from the beginning of August, is now expected to be handed over to its purchasers, Midland and Scottish Resources, by the end of the first quarter of 1991. Tiphook was one of the day's best performers. Sentiment

was helped by a US deal early

in the week in which Itel sold part of its container leasing and services assets to General Electric for about \$825m. Anaat 31p. lysts said this was worth £1,800 per container, roughly what Tiphook paid to Sea Containers earlier this year in a similar deal. Tiphook climbed 21 to

An encouraging interim statement ( profits were 50 per cent higher) lifted Baris Holdings 9 to 165p. The company said its order book currently stood in excess of £17m, com-pared with £10m last year, and it was confident of substantial future growth in profits and

earning EFG, a USM quote, recovered part of Monday's steep fall which followed the warning that it would incur a loss this

year. The shares closed 6 better

Property shares suffered from lack of volume once again. Traders remained extremely cautious awaiting some fresh incentive. What little inspiration there was came from futures related trading, and the cash market was "liv ing in a vacuum", according to

An 86 per cent fall in interim profits to £2.3m from Next took 2 off the shares to 80p. The return of bid speculation helped United Newspapers buck the market trend. The shares climbed 13 to 323p.

Other market statistics including the FT-Actuaries Share Index and London Traded Options, Page 33.

27.4 85.

#### ESTATEM PURIDO STATEMENT (2) 1 PROPERTY CONTROL (1980) CARADIANOS (5) RABBY CONTROL (1980) CARADIANOS (5) CONTROL (1) STORES (7) ELECTRICALS (5) PROPERTY (5) ELECTRICALS (6) PROPERTY (5) ELECTRICALS (6) PROPERTY (5) ELECTRICALS (6) PROPERTY (6) ELECTRICALS (6) E ISA Intl., Johnson Matthey, Lincoln House warrants, Linton Park, Lynz, Morgan Crucin, Tage (Not Con., Prof., Mossale Inse., RICF, TLS Range, RESURANCE (2) LESSURE (3) TEXTELSE (2) TRANSPORT (2) TRINSTS (11) OLS (2) CONSISTENT RADERS (2) AMERICAL RADERS (2) SMETCH CONTROL (3) TRINSTS (3) TRINSPORT (3) TRINSTS (3) TRINSPORT (3) TRINSTS (3) TRINSPORT (4) TRINSPORT (5) TRINSPORT (6) TRINSPORT (6

APPOINTMENTS

#### Restructure at Sealink Stena Line

■ Mr Rudolph Agnew, a director, has been appointed chairman of SEALINK STENA LINE as part of a restructuring. He was chairman of Consolidated Gold Fields, and succeeds Mr Dan Sten Olsson who has resigned. Mr Charles Lenox-Conyngham is promoted from managing director to deputy chairman. He is succeeded as managing director by Mr Lars-Krik Ottosson, president and chief executive of parent company Stena Line, Gothenburg. Mr Roland Johansson, managing director of Lion Ferry, another subsidiary, becomes a non-executive director of Sealink Stens Line.

willis Corroon, London, formed by the merger of Willis Faber, and Corroon & Black Corporation, New York, has made the following board appointments: Mr Roger Elliott, executive chairman; Mr Richard Miller, chief executive; Mr Adrian Gregory, Mr Bobert Keville, Mr Don King, Mr John Lamberson, Mr John Robins (chief financial officer), and Mr Jake Wallace become executive directors. Non-executive directors are Mr Robert Corroon, Mr Alan Gregory, Mr Michael Rendle, Mr Joseph

Rodgers, Mr Allen Sykes and Mr Arthur Vorys, Appointed to the board of Willis Faber are Mr Miller, Mr Lamberson, Mr Wallace, Mr George Nixon and Mr Max Taylor. Mr Elliott, Mr Nixon and Mr John Wooderson join the board of Corroon & Black Corp.

■ SALOMON BROTHERS INTERNATIONAL has appointed Mr Thomas Meyer as vice president, bond market research, particularly analysis of the German economy and financial markets. He was senior economist in the European department, International Monetary Fund.

SOREMA, a French reinsurance group, has appointed four underwriters to its subsidiary Sorema (UK). They worked together as the technical risk management unit at Continental Reinsurance. The team is headed by Mr Marcus Corbally, deputy managing director of Screma (UK), with Mr Brian Newick (construction), Mr Keith Davidson (oil, gas and chemicals), and Mr Donald Holden (construction). The company is awaiting DTI

■ Mr James M.C. Omand has been appointed chairman of HADRIAN-SOLWAY (HOLDINGS). He was chief executive of Hobourn group, and is chairman of Nelson Stokes Group, and Arnolds (Branbridges), Mr John R. Wells becomes a director. He

is a director of Vosper Thornycroft Holdings, and Lazard Small Companies Exempt Fund.



TARMAC CONSTRUCTION has appointed Mr Laurie Tansley (pictured) as northern area director of Tarmac Management. He was divisional director, Mowlem Management, Manchester.

■ GUINNESS MAHON HOLDINGS has appointed Mr Derek Moore as managing director of Guinness Mahon Investment Management. He also becomes investment director of Guinness Mahon Asset Management, holding company for the group's asset management division.

MAI INFORMATION HOLDINGS, a subsidiary of MAI, has appointed Ms Mia M. Bartonova as managing director of the newly-formed AMI information East Europe, providing information and arket research on central and eastern Europe.

■ Mr Anthony Rogers has been appointed to the board of FENNOSCANDIA BANK and promoted to deputy managing director. He was an executive director and will continue as company secretary. Mr John Greig has been appointed an executive director in charge of corporate finance. He was a senior manager.

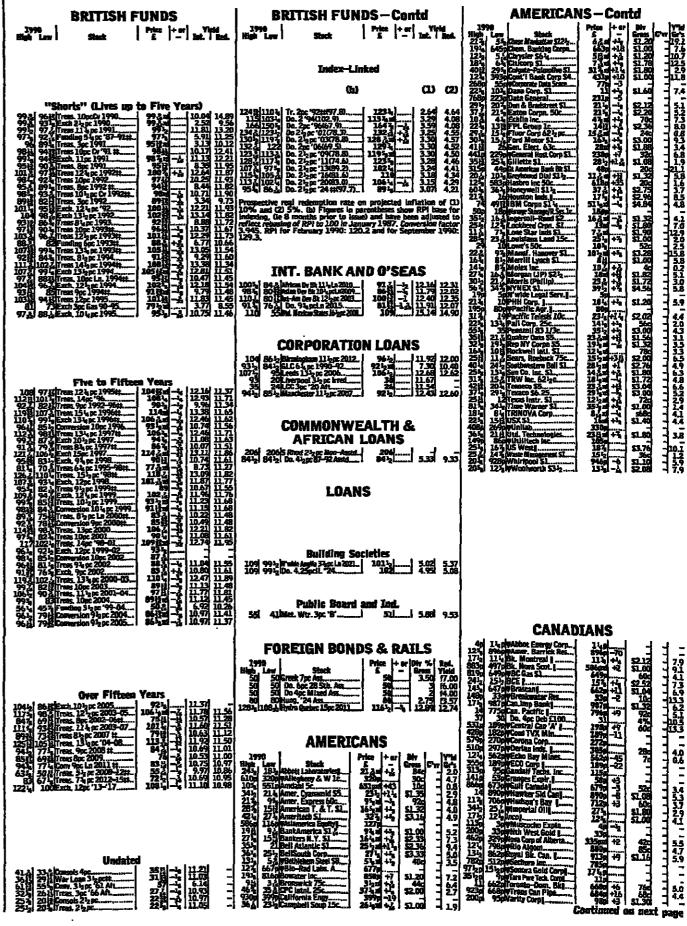
■ From October 31 Mr Paul Fraser becomes executive chairman of STANLEY GIBBONS HOLDINGS succeeding Mr R.W. Aitken who retires as non-executive chairman. Mr Fraser is a major

Mr David Clarke has been appointed UK marketing director, COMPAQ COMPUTER. He was marketing manager, Digital Equipment Co.

🗷 Mr Tom Weanie has been appointed director and general manager of DATA GENERAL in the UK and Ireland.

Mr Paul Downes has joined BOTTS & CO as an executive director and shareholder. He is a chartered accountant and, since 1985, has been a senior executive with Bankers Trust's European principal investing division. Botts & Co is a private corporate finance and principal investing company.

LONDON SHARE SERVICE

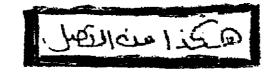


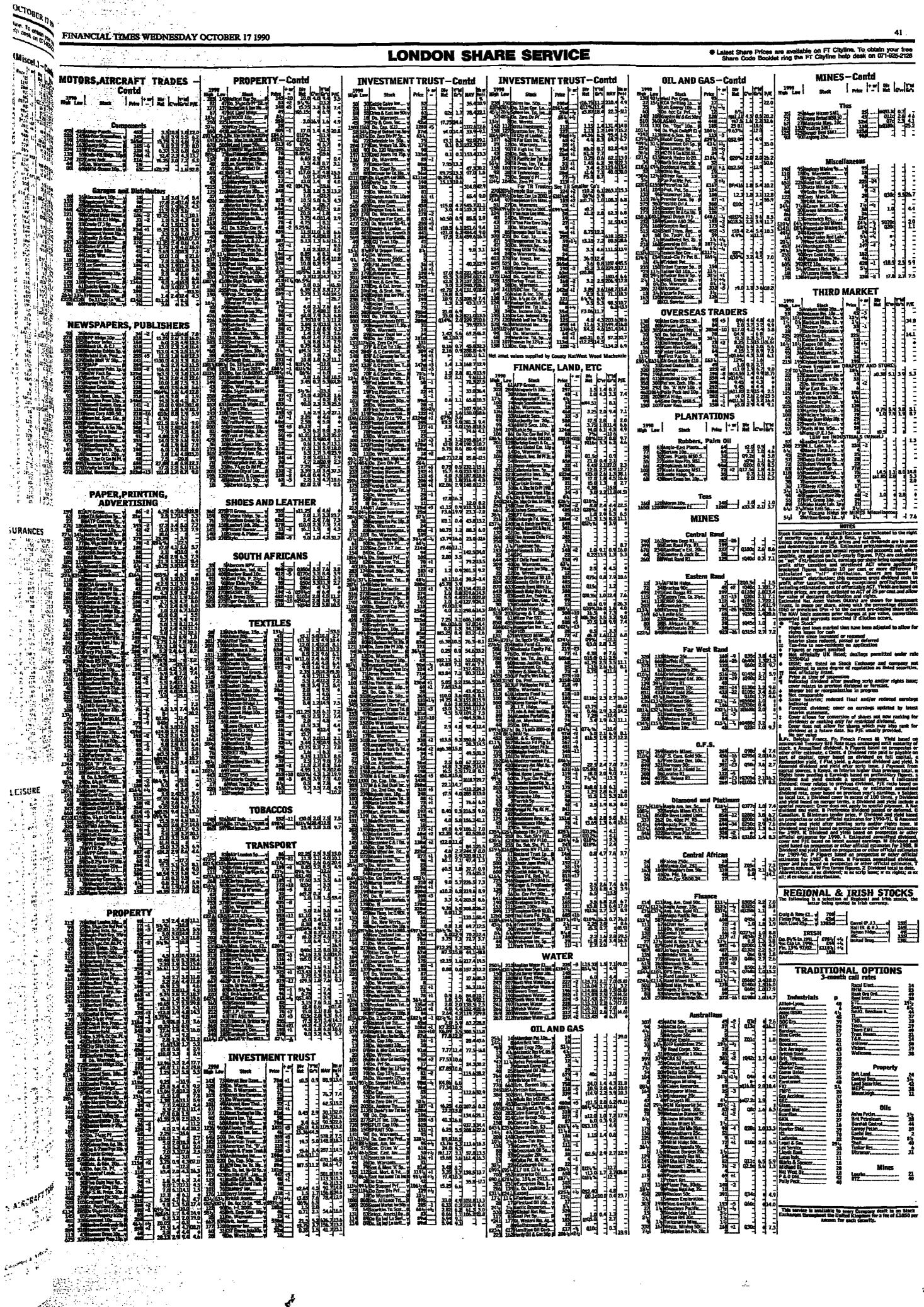
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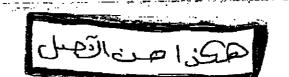
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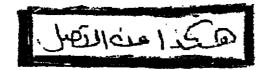


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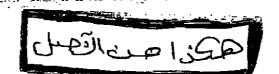
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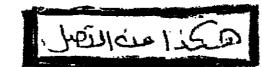
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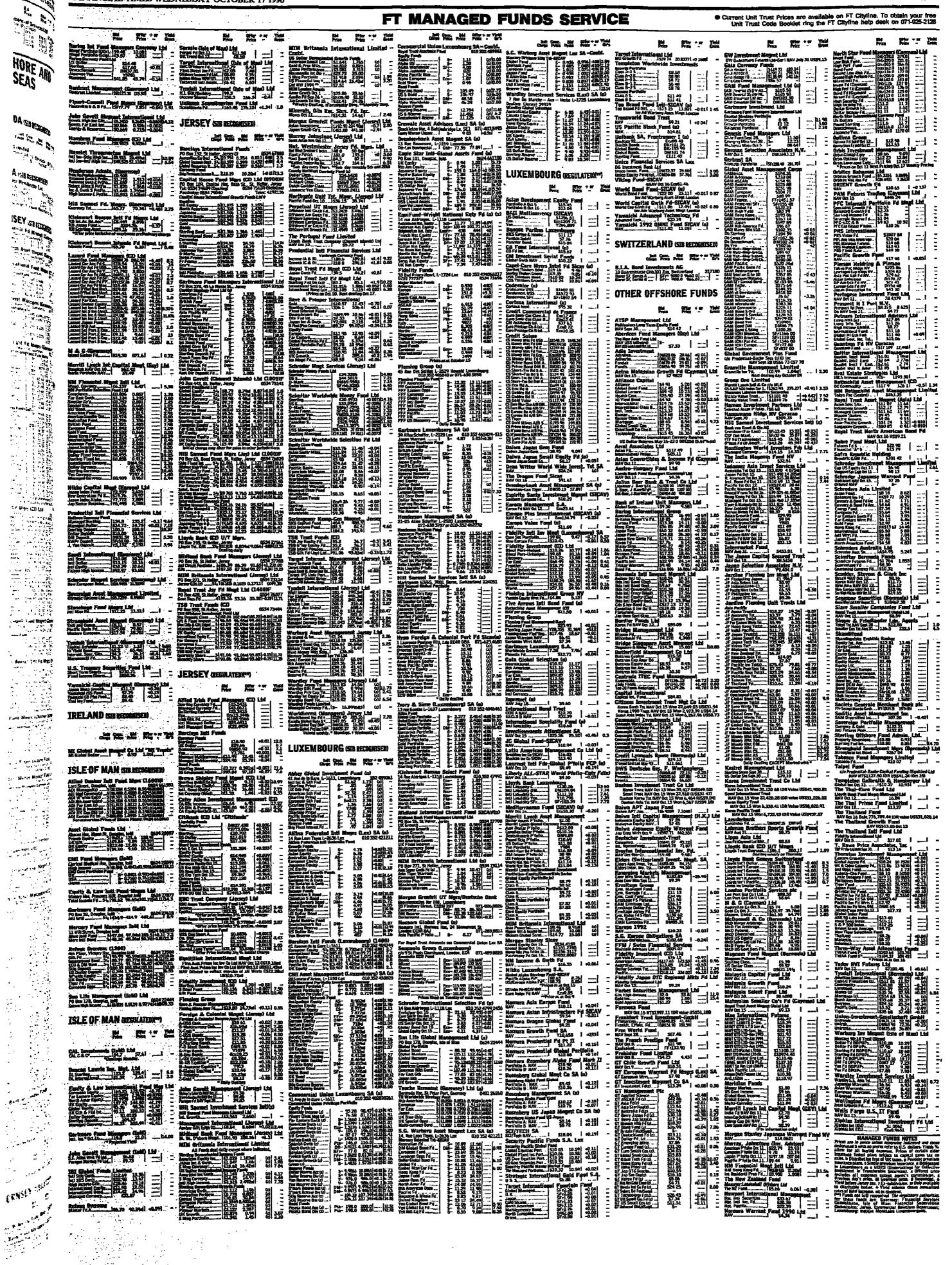
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MONEY MARKET

FINANCIAL TIMES WEDNESDAY OCTOBER 17 1990

#### **CURRENCIES, MONEY AND CAPITAL MARKETS**

#### FOREIGN EXCHANGES

#### Sterling and dollar lose ground rose 0.1 to 95.0. Sterling ended higher in New York at \$1.9650. Within the ERM sterling moved down towards the main

group of currencies. According to figures from the European

Commission, the pound was 0.71 per cent above its central rate against the weakest placed Italian lira, compared with 1.00

per cent previously.

The dollar continued to suf-

fer from US economic weak-

STERLING remained weak on STERLING remained weak on the foreign exchanges, but finished well above the day's lows amid rumours of intervention by the Bank of England. The pound fell towards its DM2.95 mid point against the D-Mark in the European Monetary System exchange rate mechanism. tem exchange rate mechanism touching DM2.9530, but later recovered to close at DM2.9650 against DM2.9750 on Monday. The mood of euphoria, fol-lowing ERM membership, has

evaporated to leave attention focused on the weakness of the UK economy. Dealers see DM2.95 as an important support point for the pound and expect Mr John Major, the UK expect Mr John Major, the UK chancellor of the exchequer, to defend this level with a commitment to tight monetary policy when he speaks in the City tomorrow night. On Monday Mr Major told parliament that a rate of DM2.95 is sustainable. Sterling has not been helped by the strength of the Japanese yen. Its fall through technical

support at Y250.60 on Monday set up a possible move towards Y217 in the coming weeks, according to some analysts.

By last night's close in London the pound had fallen to Y249.00 from Y250.25; to SFr2.5025 from SFr2.5150; and to FFr9.9325 from FFr9.9675. However, it gained 35 points to \$1.9570 and the pound's index

2 IN NEW YORK				
Oct.16 Latest Previous Close				
£ Spot	1.9630 - 1.9640 0.96 - 0.979m 2.65 - 2.629m 8.41 - 8.33pm	1.9490-1.9500 1.00-0.98pm 2.62-2.59pm 8.20-8.10pm		

STERLING INDEX 

CURRENCY	MOVE	MENTS
Oct.16	Sank of England Index	Morgan** Guaranty Changes %
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COMMENCE INCIES			
Oct 16	Bank rate	Special * Drawing Rights	Europesa † Corrency Solt
Sterling U.S. Dollar Commilan S Austrian Sch Bedglan Franc Ourish Krone Deutsche Murit Rich Guilder Freich Franc Juganes Yen Morroy Kone Sandot Pessta Sweltish Krona Sweltish Krona Sweltish Krona Geret Drach	7 12.62 6.00 7.00 12.2 6 8 11 6.00 20.2	0.734576 1.45279 1.45086 15.3667 44.9789 2.18486 2.46.153 7.31511 1637.25 183.612 8.46922 137.315 1.84830 8.08330 8.08330 8.08430	0.696904 1.95201 1.55698 14.5057 42.4530 7.84195 2.06113 2.32329 6.90605 1544.33 1.73.858 7.99577 129.252 7.63343 1.74206 207.290 0.768447

OTHER CURRENCIES				
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**MONEY MARKETS** 

to rise on the London money market yesterday as sterling weakened. The Bank of England seemed keen to keep the short end of the market tight. A large credit shortage was forecast, but no early help.

was forecast, but no early help

On Liffe short sterling futures touched the lowest

level since the pound became a full member of the European

Monetary System, reflecting

fading hopes of early cuts in UK bank base rates.

was offered.

Connectal rates taken towards the end of Louten trading, 1 UK, Ireland and EDJ are quoted in US cornery. Forward premiums and discounts apply to the US dollar and set to the individual currency.  EURO-CURRENCY INTEREST RATES						
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ang term Eurodolfars: two years 83,-84, per cent; forces 83,-84, per cent; four years 94,-89 per cent; five ears 92,-94, per cent nominal. Short term raties are call for US Bollars and Japanese Yes; others, two days' notice.						
EXCHANGE CROSS RATES						

EXCHANGE CROSS RATES										
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DM	0.337	0.660	1	83.98	3.347	0.844	13.42	749.1	0.763	20.
YEN	4.016	7.859	11.91	1000.	39.85	10.05		8920	9.084	24
F Fr.	1.008	1.972	2.988	250.9	10.	2 <u>521</u>	3.368	2238	2.280	61
S Fr.	0.400	0.782	1.185	99.52	3.966		1.336	867.7	0.904	24
H FI.	0.299	0.586	0.887	74.51	2.969	0.749	1	664.6	0.677	냵.
Lika	0.450	0.881	1.335	112.1	4.468	1.127	1505	1000.	1.018	
C S	0.442	0.865	1.311	110.1	4.387	1.106	1.477	981.9	3.699	27.
B Fr.	1.635	3,200	4.849	407,2	16.23	4.092	5.465	3632		100

#### 3-62 3-06 2-19 1-05 0-25 0-16 against the D-Mark, from DM1.5230. It hit the lowest fin-

ishing level against the yen since February 1989, falling to Y127.20 from Y128.15. The US unit also weakened to SFr1.2785 from SFr1.2875 and to FFt5.0750 from FFr5.1025. Its index eased 0.1 to 60.5.
The Australian dollar continued to lose ground after this week's cut in interest rates. Dealers noted that the authori-ties seemed determined to reduce the value of the currency. Mr Paul Keating, Australian treasurer, said on Mon-day he was not unhappy to see it lower. Yesterday, Mr Bernie Fraser, governor of the Reserve Bank of Australia, called for a

fer from US economic weak-ness and slow progress in-forming a credible package to cut the US budget deficit. Its decline was encouraged by comments from Mr Martin Feldstein, president of the National Bureau of Economic Research. He said the dollar should fall 10 to 15 per cent in real terms, with bigger drops against the D-Mark and yen. He also called on the Federal Reserve to cut interest rates. lower currency to correct cur rent account and external debt problems.
In Sydney the Australian dollar fell to 78.25 US cents from 79.65 cents, but in London rallied slightly to 78.70 cents. In London the dollar fell to DM1.5155, a record closing low

EMS EUROPEAN CURRENCY UNIT RATES							
 [	Eca central rates	Carrency amounts against Eco Oct 16	% change from central rate	% spread 's weaked earner band carretey	Divergence Indicator		
anish Peseta erting iglas Franc diglas Franc esch Franc esch Franc esch Franc esch Galider sch Galider lish Krone Illan Ura	133 631 0.696904 42 4032 0.767417 6.89509 2.05586 2.31643 7.84195 1538.24	129.252 0.694762 42.4534 0.788447 6.90605 2.06113 2.32329 7.86597 1544.33	-3.28 -0.31 0.12 0.13 0.16 0.26 0.30 0.31 0.40	3.80 0.71 0.25 0.26 0.14 0.19 0.09	뿄~깍작무귀취취		

riment calculated by Fidencial Limits.								
POUND SPOT - FORWARD AGAINST THE POUND								
Dez. 16	Statement States	Clase	One month	% pl	Three questis	9.2		
ada	1935 - 1965 22400 - 2259 3334 - 3404 40.75 - 6210 11274 - 1159 11025 - 1108 2954 - 1108 2958 - 26510 19485 - 189 39 2154 - 2257 11664 - 11654 9 90 - 11095 10 934 - 11114 2481 - 257 2680 - 2120 2481 - 253 14275 - 14640	1955 - 1935 2305 - 2325 3334 - 3344 6110 - 6120 11334 11060 - 11336 256 - 297 26140 - 25240 12504 - 1151 1954 - 1151 1954 - 1151 1954 - 1151 2088 - 2089 2494 - 2594 2695 - 1435	0.96.0 %cm 0.95.0 %cm 11-11-cpm 23-3 cpm 0.27-0 32-cpm 0.27-0 32-cpm 0.27-0 32-cpm 0.27-0 32-cpm 11-11-cpm 11-11-cpm 11-11-cpm 11-11-cpm 11-11-cpm 11-11-cpm 11-11-cpm 11-11-cpm 11-11-cpm	5.46488888814488881484 5.46588888814488881484	の の の の の の の の の の の の の の の の の の の	5.37 1.50 1.40 5.47 1.40 1.40 1.40 1.40 1.40 1.40 1.40 1.40		
mercial rates taken towards the end of Lundon trading. Sto-mouth forward dollar 4.90-4.85cpm . 12 Month 1-8.30cpm								
OLLAR SPOT - FORWARD AGAINST THE DOLLAR								
kt 16	Day's spread	Close	Obt month	67 %	Tjeres months	% pa		
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X	OLLAR SPOT - FORWARD AGAINST THE DOLLAR							
Oct. 1/6	Day's spread	Closs	Ont a	nonth	7	Tjareg month		
i denti dent	15150 - 15275 133.70 - 134.65 94.95 - 95.00 1134½ - 1140½ 5.86 - 5.92½ 5.07½ - 5.11½ 5.61½ - 5.66½ 127.10 - 128.70 10.65% - 10.74%	1.7965 - 1.7975 1.7690 - 1.7700 1.1515 - 1.1525 1.7070 - 1.7000 5.781 - 5.791 1.5150 - 1.5160 133.80 - 133.90 94.95 - 95.05 11343 - 11354 5.881 - 5.881 5.881 - 5.881 5.881 - 5.881 1.2700 - 1.2702 1.2700 - 1.2700 the end of London tapply to the US do	0.344 0.401 0.90-1 0.01-0 0.01-0 4 2.20-2; 1.75-2 0.694 0.15-4 0.15-4 0.15-4 0.15-4 0.15-4 0.15-4	0.03cds 3.00cds 3.00cds 0.05cds 5-80cds 5-80cds 1.05cds 3.37cds 3.37cds 3.00cds 1.02cpm 0.17cpm	5.95 2.14 4.11 -0.77 -2.16 -0.44 -0.39 -0.38 -0.	142-1 7,00-8 5,20-5 2,18-2 8,95-0 0,01-8-0 1,50-2 0,07-0 0,59-0	55pm 2.03 2.04s -4.10 1.18ds -0.37 0.00ds -0.70 1.18ds -0.42 1.18ds -0.42 1.18ds -0.42 1.18ds -0.42 1.18ds -1.73 1.52ds -4.19 0.0ds -2.64 4.19 0.0ds -2.64 0.15 0.0ds -0.73	
EURO-CURRENCY INTEREST RATES								
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ng term Eurodollar	rs: two years 8;	, 8, per cent;	three years 87,	Si, per cent; fi	our years 91,-8;	j per cest; fise
es 9 <u>김</u> -9일 per cen	t nominal. Shor	Llerin calits are	call for US Doi	lars and Japane	se Yea; others, t	no days' notice.

EXCHANGE CROSS RATES										
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DM	0.337	0.660	1	83.98	3.347	0.844	1127	749.1	0.763	20.62
YEM	4.016	7.859	1191	1000.	39.85	10.05		8920	9.084	245.6
F Fr.	1.008	1.972	2988	250.9	10.	2 <u>521</u>	3.368	2238	2.290	61.62
S Fr.	0.400	0.782	1.185	99.52	3.966		1.336	867.7	0.904	24.44
H FL	0.299	0.586	0.887	74.51	2.969	0.749	1	664.6	0.677	18.30
Ura	0.450	0.881	1.335	112.1	4.468	1.127	1505	1000.	1.018	27.53
C S	0.442	0.865	1.311	130.1	4.387	1.106	1.477	981.9	3.699	27.03
B Fr.	1.635	3.200	4.849	407,2	16.23	4.092	5.465	3632		100
m per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.										

# FINANCIAL FUTURES AND OPTIONS

CHICAGO

SWISS FRANC COME SF: 125,800 S per SF:

PHILADELPHIA SE L/S OF 631,250 bests per 61)

OPTION ON LONG-TERM FRENCH BOND OLIKTIFI

CAC-40 FETURES CHATTET Stock index

Adam & Company Allied Trest Bank Alls Bank

Heary Asstracter
 Associates Cap Corp
 B & C Merchant Bank

Banco Bilhao Vizzaya .... Bank Crefit & Comm ..... Bank of Cyprus ..... Bank of Ireland .....

Bank of Justice
Bank of Justice
Bank of Scottand
Banque Belge Ltd
Barclays Bank
Benchmark Bank

Brit Bik of Mid East...

Grown Shipley ..... Cl. Bank Hederland

Estimated volume 8,472 Total Open Interest 12,862

2.10 1.60

-0.02

BASE LENDING RATES

● HIM Saranel.

Dec Mar Jen Sep

Strike Price 1875 1900 1925 1950 1975 2,000 2,025

LIFFE EURODOLLAR Elm points of 180%

LONDON (LIFFE)

US TREASURY BOXOS 8% 5180,880 32mb of 188%

1.09F 90.22

Est. Vol., (lac., figs., not shown) 46457 (34306) Previous day's open lat., 151752 (155053)

Pres. 92.00 92.14 92.07 91.91 91.54 91.39 91.22 Est. Vol. (linc. figs. not showed 4007 (3794) Previous day's open int. 40301 (40151)

Estimated volume 5361 (7879) Previous day's open left, 62549 661419)

FT-SE 100 PROEX \$25 per tall loder point Close High Lear Pres. 2123.0 2190.0 2120.0 2161.0 2161.0 2190.0 2190.0 2200.0

Estimated volume 7705 61971 Previous day's open lat., 25818 (25814)

# 1-mile. 3-mile. 6-mile. 12-mile. 1.9473 1.9307 1.9082 1.8735 Close High Low Pres. 19466 19476 19174 19306 19222 19240 18960 19072 19028 19040 18780 18880

# Hongstong & Shangs 14 Hongold Joseph & Sons 14 Linguis Bank 14 Heybraj Bank 111 14 Hichemell Douglas Bak 14 Hiddenell Douglas Bak 14 Hidden Bank 14 Hidden Bank 14 Hidden Bank 15 Banking & Securities Rouses Banking & Securities Rouses Association. © Deposit now 5.1% Securice 7.7%. Top Tier-£50,000-instant access 13.7% & Mortgage hase rate. City Merchants Bank ..... Ctydestale Basic ..... Comm. Bik of London Pic

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CITIBAN( )

#### UK clearing bank base lending rate 14 per cent from October 8, 1998

Economic news had little Economic news had little impact. A fall of 0.5 per cent in UK August industrial production was an improvement on the revised July fall of 3.3 per cent, but the market was looking for a rise of around 0.2 per cent. A September public sector borrowing requirement of g1.4bn was in line with most expectations.

expectations.
Three-month sterling interbank rose to 13%-13% per cent from 13%-13% and 12-month money firmed to 13-131 per cent from 13%-13.
December short sterling futures opened weaker at 86.70 and fell to a low of 86.61, but rallied to close at 86.70

UK rates stay firm compared with 86.74

Day-to-day credit was in short supply on the money market. The Bank of England initially forecast a shortage of £850m, but revised this to £950m at noon and to £900m in the afferment. the afternoon.

the afternoon.

Total help of £812m was provided. Before lunch the authorities bought £459m bills outright, by way of £80m bank bills in band 1 at 13% per cent; £14m Treasury bills in band 2 at 13% per cent; and £365m bank bills in band 2 at 13% per cent. In the afternoon another £253m bills were purchased. £253m bills were purchased, via £161m bank bills in band 1 at 13% per cent; £23m Treasury bills in band 2 at 13% per cent; and £69m bank bills in band 2 at 13% per cent. Late assistance of around £100m was also provided.

was also provided.

In Frankfurt call money eased to 8.05 from 8.075 percent ahead of this week's repurchase agreement tender by the Bundesbank. The market waits to see if the central bank fully replaces DM2Z.3bn draining today as two earlier facilities expire. The Bundesbank has set a two-tranche tender for 28 and 63 days at variable bid rates. In Brussels the Belgian National Bank cut the rate on National Bank cut the rate on four-month paper, issued by the Securities Regulation Fund, by 0.5 per cent to 9.0 per

#### FT LONDON INTERBANK FIXING (11.00 a.m. Oct.16) 3 months US dollars arest one-skaleenth, of the bid and offered ratus for \$10m each working day. The banks are National Westminster in Paris and Morozon Georgety Treet

**NEW YORK** Treasury Bills and Bonds 8.60-8.75 102-102 8.00 9.50

**MONEY RATES** 

Cot 16							
Primate Offer	LONDON MONEY RATES						
rileg CDs	Oct 16	Overnight	7 days notice	Ose Month		Six Months	One Year
	rehank Bid	13%	13/2	13H 14 14	- :	135 135 135 135 137 137 137 137 137 137	131

#### Financial Information Service on Japanese Corporate Issuers MIKUNI'S CREDIT RATINGS on about 4,000 bond issues and about 1,000 short-term notes

Cost: US\$ 3,600 per year

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Money Market Trust Funds

LIFFE SUND PUTURES OPTION THE SUND PROPERTY.

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0.02 0.04 0.07 0.17 0.47 0.43 0.83

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● United 8k of Kunraft.....

United Microbi Bank .... Unity Trust Bank Pic .... 

• Members of British Merchan

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Money Market

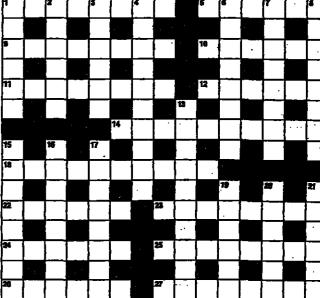
**Bank Accounts** 

네 & Co Lini

**JOTTER PAD** 

#### CROSSWORD

No.7,369 Set by QUARK



6 One French fish has head removed? Sure! (8) **ACROSS** 

1 In M got abrasive with emery (8) 5 Father of 1 across? (6) 9 In M could be quite hard (8) 10 He contributed to M and

went on working (6)

11 Formal designation in colour given a different name

(2-6) 12 One regarding centre of

12 One regarding centre of polar region (6)
14 Cut off the head – but no trace perhaps (10)
18 Sketchy in a short notice on match (10)
22 Type of slope? (6)
23 Forward different times, including month and day (8)
24 Eyesore (6)
25 One on the carpet seen in flight (5,3)

25 One on the carpet seen in flight (5,3)
26 Figure of M (5)
27 Branches of study; some rely on M (8)

1 Child's vehicle with wheel up for painting (2-4)
2 The earth's sphere is a circle with a belt distorted (6)
3 A statement in M a student released in fairness (6) missed in fairness (6)
4 Unskilled worker down

SOMEON TO PUZZIE NO.7,888

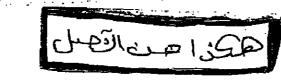
STRATEON ODETTIE
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L E O T E L E O
ENDURE LL GESTON

7 Some split to rally off shore

7 Some spin to raily off shore
(8)
3 Worked in fabric (8)
13 In M., concerned with 26, 15 etc (10)
15 Difference of opinion (could be long in 13) (8)
15 Complex diagram at bottom of page makes a pattern (8)
17 Disrespectful parent upset in joint (8)
19 Term in M shows firm's lacking (6)

lacking (6)
20 Certain set in M encountered endless strain (6)
21 Set due to be arranged in compositions (6)
Solution to Puzzle No.7,368

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October 16

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#### **WORLD STOCK MARKETS** SWEDEN October 16 Kreste AGA 8 Greet AGA 8 Greet AGA 8 Greet AGA 8 Greet 185 Alfa-Land 8 Greet 185 Acan 8 Greet 575 Astra 8 Greet 497 Astra 8 Greet 183 Electroles 8 Greet 183 Electroles 8 Greet 153 Electroles 8 Greet 153 Ender 8 Greet 154 Mo Oct Doon 8 Free 164 Notel Free 175 Sandya 8 Greet 173 Sandya 175 Sandy | Section | Compared | \$15 pt 15 pt 9640 95485447168 High Low Close Chag Sales Stock High Low Close Chag TORONTO Closing prices October 16 Cuotations in camis unique marked \$. 250.0 Abshib Pr. 2514, 254, 154, 14 100 Ackinada; 254, 84, 54, -14 100 Ackinada; 254, 254, 214, -14 100 Ackinada; 254, 254, 254, -14 100 Ackinada; 254, 254, 254, -14 100 Ackinada; 254, 254, 254, -14 100 Ackinada; 254, -14 100 A Closing prices October 16 NETHERLANDS 1086 Tor Sun \$165 165 165 165 -830 Total Pet \$23\(\frac{1}{2}\) 23\(\frac{1}{2}\) 33\(\frac{1}{2}\) 33\(\frac{1}2\) 33\(\frac{1}{2}\) 33\(\frac{1}\) 33\(\frac{1}2\) 33\(\frac{1}2\) 33\(\frac{1}2\) 33\(\fra 1977 THE PROPERTY OF THE PROPE 1100 UAP A \$15% 15 15% 225300 Unicorp A 82 80 12+ 300 Unigera B | 245 245 245 SWITZERLAND Asia Inti Do. Pig. Certs. Akasakse Laszz Do. Pig. Certs. Baldose Hild Pig Brown Bover! Do. Pig. CS Hildy. Clin Gelty Do. Pig. CS Hildy. Clin Gelty Do. Pig. Hildy. Fisther Hildy. Fisther Hildy. Do. Pig. Landis and Gr. Do. Pig. Hillyron (Reg) Hillyron (Reg) Hillyron (Reg) Hillyron (Reg) Hillyron (Reg) Hillyron (Reg) Landis and Gr. Do. Rig. Landis and Gr. Do. Pig. Landis and Gr. Do. Pig. Landis and Gr. Do. Pig. Landis and Hillyron (Reg) Hillyron (Reg) Landis and Landis a 350 Woodwel A 125 125 125+ 5 MONTREAL 130 Prelii Pr October 16 Alar A (Free) Alor A Greek Bergesen Caristania St Free Den acordee Sit Free Dyno Ind. Elean Greek Hadd lilyoo A Free Knaesner Greek Kora leakst Free Horsk Data A Heads Wood Horsk Data A Heads Hord Horsk Data A Heads Horse Storiestand Greek Horse Ho **NEW YORK** Oct. Oct Oct. Oct. | NEW YORK | DOW JONES Oct. | Oct. | 1890 | Since compilation | 18 | 15 | 12 | 11 | High | LOW | High | High | LOW | High | Hig 12 All Ordanies (1/1/80) All Minor (1/1/80) Austria Cress Meine (30/12/80) SELORUM Brosk SE (Cash Mad) (17,1902 S141.50 5120 66 5080 01 5080 92 DENIKARIK October 16 Getaber 15 Barro Sitheo Vir Barro Sitheo Vir Barro Sitheo Vir Barro Sitheo Barro Sitheo Barro Sitheo Barro Sattador Barro Hopelar Barro Sitheo Chroe Homela Corp Ha Alba Corp Ha Alba Corp Hagere Barro Sitheo Barro 1275 70 85 91 276.5 AED AED AIBID Tech Alagio Am Coal Angio Am Cori Angio Am Cori Angio Am Cori Barlow Raad Barless Barless CHA Galto De Beers/Dertory / Desiteraal Gold Fristand Gold Fristand Gold First, Nat. Bank Free State Cons Gold Gold Firsts SA Alagio Am Cori SUR Kinyos Gold Library Gold Library Gold Library Gold Kinyos 高います。 なるなよ あるななるなるなるない。 「 自会をはられる」 「 自会をつ なな 349.49 339.67 538.31 337.52 388.29 (297) #Day's High 2431.41 (2451.24) Low 2366.83 (2354.95) 4168 417.8 4198 420.5 416.8 (16/10) STANDARD AND POOR'S 4.40 Q(4)33 3.62 Q1(6)32) 8.64 Q(10)740 Composite # 625.70 629.28 624.47 610.25 1793.20 1804.98 1791.7 1750.0 1460.72 1476.89 1494.70 1428.38 Connections: U(1253) DAX CO(1287) DAX CO(1287) HOSNG KOMG Hosng Komg Hosng Komg Hosng Komg Hosng 162.20 20.13 4.46 (11/10) (16/1/90) 25/4/62 290.32 397.03 26.31 (06/10) (01/16/90) 59.2/72 325.44 485.73 54.87 (06/10) (9/10/99) (31/10/72) HYSE Composite 363.64 165.84 164.42 162.20 2949.57 2916.38 2915.26 2884.41 Ameri Mikt. Value 290.32 293.27 293.97 293.71 MASDAQ Composite 325.44 329.54 327.56 325.61 Barca Com. Ital. (1972) JAPAN 763.52 (14)(0) Fasa Menasiri Fessa Hidroyl Cantain Hidroyla Berdistro Kolpe Metal Daro-Felg Petrulada (Cla Esp) Petrulada (Cla Esp) Portland Valid. 4.23 4.01 Sep.26 year ago (approx.) حة Oct.10 Oct. 3 467.89 477.49 471.22 469.08 459.00 (28/9) 632,22 CJ60 3.56 14.28 NEW YORK ACTIVE STOCKS TRADING ACTIVITY † Volume | Color | Colo 151.500 164.990 187.440 111.139 10.350 11.933 1.977 1.974 1974 172 793 919 1.072 741 632 433 440 423 5 4 3 278 209 211 AUSTRALIA (continue) 928.82 (4/1) CANADA TORONTO Travelling on business in Portugal? Enjoy reading your complimentary copy of the Financial Times TOKYO - Most Active Stocks

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#### NEW YORK STOCK EXCHANGE COMPOSITE PRICES

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| Low Stock Dir. | Low D TALE 100-Hold

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حكذا صناتها

هكذا منه التصل

AW 6d
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**NYSE COMPOSITE PRICES** 

41 38 UNE P2.50
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BE 3 98
B Sales figures are unofficial. Yearly highs and lows relient the provious 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are amount disbursatems based on the latest declaration.

a-dividend also xira(s), b-ansual rate of dividend plus stock dividend. c-liquidating dividend, cid-oatled, d-new yearly low, e-dividend declared or paid in pracedling 12 nontrue\_dividend in Canadian funds, subject to 15% non-residence tax. I-dividend declared effect or stock dividend. C-liquidating the declared effect or stock dividend. percuss or more ness nean paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are sanual distursionersh based on the intest declaration.

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#### **AMEX COMPOSITE PRICES**

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Advertising

#### AMERICA

# Equities digest deluge of quarterly company results

**Wall Street** 

A DULL day on Wall Street yesterday saw equities relin-quish early gains and move broadly lower as the market absorbed a deluge of corporate results and was hit at mid-session by rising oil prices, writes

Karen Zagor in New York. The Dow Jones Industrial Average finished 35.15 down at 2,381.19 amid unexceptional New York SE volume of 149.6m shares. The Dow had gained 51 points over the previous two trading days. Declining issues outpaced rises by 1,070 to 474. The NYSE All Common index receded 2.20 to 163.64 and the American SE composite lost

Lower crude oil prices at the start of the day belped equities post an initial rise, but by midday November crude had started to recover and it ended up 94 cents a barrel at \$38.89. Higher oil prices also took

their toll of the bond market, which opened on a mildly positive note but turned downwards as oil increased in price. However, bond prices picked up in late trading after the Senate budget panel approved the deficit reduction bill. Newmont Mining shed \$% to \$34% after Hanson, of the UK, said it would sell its 49 per cent

stake in the US company for \$1.3bn. Hanson ADRs slipped \$% to \$18%.

Federal National Mortgage (Famile Mae), which raised its dividend to 22 cents a share from 18 cents, fell \$1 1/2 to \$27 in active trading.
General Electric weakened

\$3 to \$51%. The company reported third-quarter earnings of \$1.16 a share against \$1.04 a year ago. GTE declined \$% to \$27% after turning in third-quarter net income of 59 cents a share, down from the previ-

ous year's 53 cents. Citicorp moved \$1 lower to \$13. Although the bank reported reduced third-quarter earnings, it has maintained the Mellon Bank was \$% easier

at \$19% after posting third-quarter net earnings of \$1.19 a thare, down from \$1.16. Merrill Lynch slipped \$% to \$16% in reaction to net income of 38 cents a share, against 34

Nynex lost \$3% to \$72% in active trading after the New York Public Service Commission staff recommended only a small rate increase for New York Telephone, which had been looking for more than

\$1bn over three years.

A number of drug issues moved lower in spite of announcing improved thirdquarter results. Pfizer dipped \$% to \$72%. H.H. Robertson, which fell \$1% on Monday, rallied \$% to \$4% after the company said it expects to post

Flight Safety tumbled \$21/2 to \$39% on third-quarter earnings reduced to 55 cents a share from 47 cents a year earlier. Secondary issues also lost ground, with the NASDAQ composite off 4.11 at 325.43. The decline was led by soft-ware issues. Microsoft slid \$1% to \$54% in spite of reporting earnings of 71 cents a share, at the high end of analysts expec-

Lotus Development initially fell \$1% but recovered to end the day up \$1% at \$14% after turning in sharply lower thirdquarter earnings of 20 cents a share, down from 54 cents. Weakness in Lotus and Microsoft hit Apple Computer, which dropped \$2% to \$25.

#### Canada

THE TORONTO market declined for the ninth consecutive session, with nearly all sectors ending weaker. Trading was moderate.

to 3,009.9 as declines outnum bered advances by 388 to 175. Volume of 24.3m shares was above Monday's 17.3m. Abitibi-Price reported a third-quarter loss of C\$700,000, or 2 cents a share, compared with a year earlier net profit of C\$13.6m, or 18 cents a share. The latest period includes a pre-tax restructuring charge of C\$42.6m. The stock dipped C\$%

#### Confidence stays fragile despite some small gains

fragile in Europe yesterday, although some bourses managed to achieve slight gains, writes Our Markets Staff.

PARIS succeeded in closing above the 1,600 level on the CAC 40 index and volumes remained above their worst levels of recent weeks, suggesting that the gloom may have dissipated a little. The CAC 40 index gained 3.01 to 1,601.92, in turnover of about FFrl.7bn after Monday's FFrl.9bn.

Hopes of an interest rate cut stimulated buying, following a cut in compulsory bank ves, although one analyst cautioned against over-optimism. A slightly bigger than expected rise in inflation in

Suez achieved the session's biggest volume again, rising FFr10.80 to FFr306.80 with 493,390 shares traded after the recent appointment of a new chairman. The stock has risen

14.3 per cent in three days.
Michelin also continued to rise in active trade, adding FFr1.70 to FFr70.60 with 418,450 shares exchanged, although the stock slipped from its day's high of FF174.40. There is spec ulation that the tyremaker might confirm its development of new manufacturing tech-

niques and a "green" tyre -mentioned in June - at an analysts' meeting tomorrow. GTM-Entrepose lost FFr11 to FFr374; the group reported a cut in first-half losses.

MILAN managed to register a small gain at the start of the support buying by the large industrial groups. In more favourable times, the market would probably have risen a couple of percentage points on the first day of a new account as investors renewed positions. Volume was estimated at around Monday's L148bn. The Comit index rose 0.82 to 553.71.

133.05 50.73 236.17 150.93 160.19

136.39

119,18

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-0.2 -0.2

+ 1.6 + 1.0 + 0.3

136.22 89.69 124.52 92.70

103.51 110.49 140.29 149.74 96.64 103.16 99.70 106.41 92.67 98.92

99.70 105.41 104.02 92.67 98.92 98.99 90.45 96.56 94.39 88.86 94.86 92.71 98.85 106.59 104.18 93.88 100.21 97.95 96.45 102.96 100.64 97.22 103.78 101.45

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NATIONAL AND

"Today was very disappoint-ing and reflects the mood of the last two months," one analyst said. He added that foreigners, disenchanted with Italy, were continuing to offload their Italian portfolios. From a technical point of

view the market was looking vulnerable, as the Comit index hovered around 550, an impor-tant support level, the analyst said. If it fell below this, the next cushion was 500. He added that the index was near the lows seen in early 1988.

Ferruzzi Agricola Finan-ziaria plunged L188 or 8.8 per that emerged last week disap-peared. Generali, whose onefor-10 bonus issue came into

FRANKFURT saw profit-taking on low turnover as the market continued to drift. The DAX index lost 18.17 to 1,460.72 and the FAZ eased 3.58 to 625.7, with volume down to DM3.8bn from DM4.4bn.

The automotive sector slipped again following Mon-day's announcement that European car sales in September were almost 5 per cent down on the same period last year. BMW fell DM9 to DM421.51, VW DM9.40 to DM409.10 and

imler DM7.50 to DM611. Porsche was the only manufacturer to buck the trend. It moved up DM6 to DM711, but it has been weak for some time. Mr John Longhurst, analyst at James Capel, the UK securities house, said that the rise was rely a bounce following a bad fall on Monday.

Continental, the tyre manufacturer and takeover target, also suffered — apparently because of the misery in the automotive market. It slipped

Good news was thin on the ground but settled on Herlitz, the paper products manufac-

97.78 157.68 106.67 97.19 197.76

145.40 142.13 149.67 74.38 72.71 73.29 132.89 129.90 124.52 96.96 96.72 122.15

108.00 146.37 100.83

151.13 161.32 157.68 102.24 109.12 108.67 93.17 99.44 97.19 139.55 202.33 197.76 78.79 81.97 80.12 103.91 110.90 108.40 87.44 93.35 91.23 89.88 96.94 93.78 116.54 124.39 121.59 63.23 67.49 65.97 97.26 103.81 101.48 143.93 153.81 150.15 372.78 397.89 388.92 1 100.96 107.78 105.35 38.50 41.09 40.17 179.24 191.32 187.01 114.55 122.27 119.51 121.57 129.76 126.83 104.35 111.39 106.87 104.35 111.39 106.87 104.35 111.39 106.87

over prospects for office products in east Germany. It nudged up DM7 to DM351 after the company announced that it expected turnover for the year

to be up by 25 per cent.

AMSTERDAM ended flat after a dull session. The CBS Tendency index rose to 96.1 before closing steady at 95.6.
Atag Holding, the household durables to bicycles group, rose F14.10 to F1114.50 in low volume after reporting a 36 per cent rise in net nine-month profits. There was also take-over speculation following the news that Robert Bosch of Germany had taken a 40 per cent stake in Atag's heating equipment subsidiary. But one analyst noted that 40 Atag was in family hands,

which reduced the chances of a hostile takeover. Frans Maas, the transport group, was under pressure, los-ing 20 cents to FI 66.30 on rumours that KLM, the trou-bled national airline, might sell its 35 per cent stake to raise cash. Analysts also said that Nedlloyd's problems with its road hanlage division weighed on Frans Maas.

MADRID edged higher agzin, with the general index up 1.43 at 219.45. OSLO's all-share index slipped below 500 for the first time since December on worries about a split in the govern-ment. The index fell 3.63 to 498.94, another 1990 low.

STOCKHOLM slipped as short-term credit yields rose. The Affärsvärlden General index lost 10.6 to 953.5 in turnover of SKr211m, up from SKr174m. Trelleborg restricted Bs lost SKr2 to SKr115 after the company downgraded its profits forecast.

ISTANBUL's turnover grew to TL101bn from TL75.8bn. but the index lost 108.79 or 2 per cent to 5,154.80.

FRIDAY OCTOBER 12 1998

68.19 100.77 152.24 399.44 108.79

141.51 72.55 130.54 95.31

150.61 146.07 100.51 97.48 105.12 101.95

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138.71 102.68 185.20 139.10 123.59 92.83 129.28 97.09 120.94 90.83 118.89 89.29 119.14 89.46 129.62 97.36 121.57 91.38

FT-ACTUARIES WORLD INDICES'

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the institute of Actuaries and the Faculty of Actuaries

+0.0 +2.5 +1.0 -0.5 +0.4 +0.5 +1.2 +0.7

-0.1 +0.6 -0.3 +1.3 +0.0 +0.2 +0.1 +0.1 +0.2 +1.1

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The World Index (2348)... 127.29 +1.4 96.60 103.11 100.79 111.24 +1.5 3.09 125.57 94.31 102.12 99.04 109.64 162.05 118.33 147.66

of change 16/10/90: Addition: Den Norske Bank Free (Norway)(following share structure changes). Latest prices were unavailable for this edition.

3.43 9.81 3.11 9.43 5.49 7.84 1.64 3.57 4.33 5.56 2.71 5.59 4,02

2.10 1.22 2.57

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102.95 +0.0 108.12 +1.7 109.78 +1.6 111.09 +1.5 115.19 +0.7

# All eyes focus on Bombay's Diwali session

R.C. Murthy discusses whether the Indian market's bull run is drawing to a close

SEVEN percentage-point surcharge on corporate tax came as a bolt from the blue for Indian stock markets last weekend. The surcharge was part of the Gulf levy package, which included petrol and diesel price rises of 25 per cent in an attempt to pay for the Rs40bn (\$2.2bn) increase in the crude import bill, following the recent oil price advance.

The 30-share index of the Bombay Stock Exchange, India's largest market which accounts for about half of total national trading, dropped 194 points or 14 per cent – the sharpest fall ever on a single day - to 1,208.77 on Monday.

The next day share values recovered part of their lost ground, with the index closing at 1,280.20 before the market was adjourned for an extended holiday starting yesterday for Diwali (the Festival of Lights). Associated Cement Companies (ACC), the largest cement producer, led the recovery, as its shares recouped Ra300 to

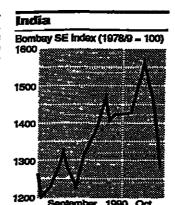
Rs1,900 in an otherwise stag-nant market, after falling from Rs2,100 to Rs1,600 earlier in the day. Several key stocks were also firm in kerb trading yesterday, suggesting that the market was having second thoughts about the effects of the 7 per cent levy.

The stock market is at a

crossroads and, therefore, a special trading session tomorrow will attract great interest. Diwali ushers in the new year for Guiaratis, predominantly a trading class from western India who dominate the Bom-bay Stock Exchange. Tomorrow's moorat (inaugural session) is taken as indicating the course that the stock markets will take over the next year.

Indian stock markets are an enigma to foreigners. When Iraq invaded Kuwait, world markets plunged but share val-ues surged in Bombay. The market authorities banned forward trading in an attempt to moderate the surge.

Based on the strong performance of the corporate sector,



Morgan Stanley had predicted about six months ago that Indian markets would reach their zenith, with the index touching 1,500, in December this year. That was considered a wild prediction, since the index was languishing between 900 and 1,000 early this year. But it crossed the 1,500 mark three months ahead of Morgan Stanley's target and touched

the peak of 1,559 on October 9. Tata Steel and Reliance industries took over the leadership from ACC, which had ear-lier boosted share values in August and September, to pro-pel the market to the top. The fillip also came with relaxations in curbs on trading in actively traded scrips.

An increase in the prices of certain categories of steel, the distribution of which is controlled by the government, was a shot in the arm for Tata Steel, which saw its shares appreciate to Rs218 from Rs185 Reliance received a boost

from the Gulf crisis, which made its petrochemicals and synthetic fibres competitive overnight on the international

Its shares, which had stuck around Rs65 at the beginning of the year, crossed the Rs200 level last week, attractive enough for the company to announce plans for a Rs5.7bn convertible band flotation. The rights issue has partly

been designed to finance the controversial natural gas cracker project, which was to have been funded at the outset by supplier's credit from Lar-sen and Toubro, agreed upon when L and T was part of the Reliance group. The supplier's credit was cancelled after L and T was split from Reliance at the behest of the government in April

The market appears to be losing steam. The BSE authorities recently doubled the posi-tions allowed to brokers in forward trading to Rs15m on Monday, having sensed that the market was cooling. Merrill Lynch suggested last week that Indian share prices are overvalued and a correction is in

prospect.
All eyes are on tomorrow's special trading session. If it emphasises negative features, such as the effect of the Gulf package on the corporate sec-tor, the bears could emerge from their lairs and the recent correction might turn into a

#### The composite index lost 22.9 **ASIA PACIFIC**

#### Nikkei rises in futures-dominated trading

Roundup

TRADING was dictated by activity on the futures market sterday and share prices rose yesteruay and successions in thin volume with investors and dealers alike scrambling for short-term gains, writes Michigo Nakamoto in Tokyo. The market advanced steadily for most of the day, although profit-taking towards the close wiped out some of the gains. After a high of 23,819.48 the Nikkel average finished 496.90 ahead at 23,606.10. The

day's low was 23,143,41.
Although volume improved to 500m shares from Monday's 350m, most of the activity came from dealers, analysts said. Institutional investors, concerned about the outlook. chose to remain on the sidelines. Advances outnumbered declines by 740 to 247 with 116 issues unchanged. The Topix index of all listed stocks rose 25.36 to 1,731.69, but in London the ISE/Nikkei 50 index firmed

a mere 1.02 to 1.365.49. The market found encouragement in lower oil prices and emerging hopes of reduced domestic interest rates. The strength of the yen and a firm bond market also helped. However, while the brighter environment provided some cheer. the futures market was the inant influence ye with prices on the cash market rising and falling according to

futures movements. Nevertheless, all this had a positive affect on sentimer said Mr Masami Okuma at IIBS Phillips & Drew, "Futures trading had a major impact on the market's sharp fall this year, so it should not be surprising if it leads its rise," he added. Interest focused on laggards

particularly those supported by domestic demand. Retailers rose, with Ito Yokado, the supermarket chain, adding Y160 at Y3,260. Takashimaya, the upmarket department store, increased Y110 to Y2.390. Financials advanced on hopes of lower interest rates. Fuji Bank saw a strong rise of Y110 to Y1,890. Trust banks

#### **SOUTH AFRICA**

100.71 103.82 158.31 153.26 153.65 265.63 105.38 103.09 160.02 97.65 102.89 153.61 196.69 190.73 277.62 79.46 76.06 152.29 107.08 108.31 168.85 90.56 144.63 93.55 119.09 147.49 120.59 122.03 198.57 68.14 71.24 109.26 97.74 100.77 197.26 97.74 100.77 197.26 147.66 194.50 250.89 887.39 1580.09 561.41 106.51 104.47 149.03 40.85 44.50 75.36 189.97 192.48 276.79 188.95 133.50 251.39 107.43 98.65 182.25 141.51 149.67 234.93

GOLD and platinum shares fell again as world prices of the precious metals continued to drop. Even the weak financial rand could not stem the slide. The JSE all-gold index plunged 50 to 1,346 and the all-share index fell 45 to 2,576.

# attracted attention as under-

performers. Sumitomo Trust and Banking was the day's second highest gainer with a jump of Y170, or 13.4 per cent, to Y1,440. Mitaubishi Trust and Banking added Y130 at Y1,490.
Blue chip electricals, which have been sluggish lately, came back into the limelight. Sony firmed Y180 to Y6,570 and Matsushita Y70 to Y1,890. TDK, the maker of magnetic tape, gained Y140 to Y5,200. Nikkiso, a leading maker of precision pumps used by chemical manufacturers, surged Y120 to Y1.370 in active trading

on talk that speculators were buying its shares. Other speculative issues, however, were not so fortu-nate. Honshu Paper, a former front-runner, once again suf-fered the maximum daily loss

of Y400, or 18.6 per cent, to Y1,750. Rumours were that speculators have stopped buy-ing the issue and that the authorities were looking into trading in the shares. Some recent gainers also succumbed to profit-taking. Marubeni, the trading house

which has been a recent favourite, lost Y5 to Y700. It was the most actively traded stock with 16.7m shares. High-tech issues were strong

#### performers in Osaka. The OSE average rose 445.51 to 26,800.29 on volume of 40.0m shares, up from Monday's 25.7m.

PACIFIC RIM markets put on a mixed performance yesterday. Kuala Lumpur is closed today for a religious holiday.
SINGAPORE firmed overall

in light trading, but Malaysian shares recorded sharp losses, reacting to an East Malaysian party's defection to the opposi-tion. The Straits Times Industrial index gained 3.34 to 1,101.77 on late buying. Volume rose to \$\$58.2m from \$\$36m. KUALA LUMPUR ended broadly lower but some bar-

gain hunting emerged towards the close. News that the Chris-tian-based Bersatu Sabah Party pulled out of the ruling coall tion just before the general election triggered some neryous selling early on. The com-

at 467.89 after touching 465.58. Turnover expanded to 80.8m shares from 20.1m. TAIWAN moved forward for

the fourth consecutive session. The weighted index climbed to 2,768.09 in volume of T\$18.81hn. NEW ZEALAND was nar-

rowly mixed as currency move-ments and uncertainty ahead of the October 27 general elec-tion kept volume down. The Barclays index closed 6.59 higher at 1.352.85 on a slender turnover of NZ\$8.2m. Brokers said the level would have been lower but for a hig

block sale of 600,000 shares in the market leader Fletcher AUSTRALIA climbed in quiet trading as investors were given encouragement by the one per cent cut in interest rates. The All-Ordinaries index

moved up 15.5 to 1,336.9. Vol-ume picked up to A\$176.37m from Monday's A\$147m. HONG KONG was boosted by rising overseas markets and relative stability in the Middle East. The Hang Seng index

advanced 33.19 to 2.949.57, rising for a fourth straight session. Turnover improved to HK\$650m from \$HK\$597m.

MANILA ended slightly lower after light trading dominated by professionals. The composite index shed 1.79 to 535.66, but volume increased to 51.2m peass from the previous day's very thin 25.3m. SEOUL suffered heavy profittaking. The composite index fell 8.10 to 638.29 on a strong

volume of Won254.9hn, up from Won160.8hn. Talks between South and North Korea did not provide the support which the market had been expecting. BANGKOK closed slightly higher in thin volume dominated by the finance sector, the SET index rising by 1.05 to

JAKARTA continued the slide which has cut 30 per cent off the index in the last 10 weeks. The index slipped 6.15 to 419.24. Trading in Jakarta International Hotel, suspended on July 31, will resume today after shareholders approved a quadrupling in the number of

#### **VIEWPOINT**

The Commerzbank report on German business and finance

#### Air transport: deregulation will stimulate growth

Worldwide, the air transport industry is expanding. With annual growth rates of between 5 and 7%, the size of the air travel market should double by the start of the next century when total passenger volume is expected to reach two billion. As consumer spending on leisure in general increasing, private travel should show even stronger growth than business travel in the years shead. However, air cargo demand will be boosted still more, thanks to the emergence of truly global markets for products. Many high-tech products are already being sent by air, and the fact that more and more companies are switching to "just-in-time" inventory and distribution systems means that air cargo should remain a high-growth sector for some time to come.

While demand for air transport is buoyant, competition in the industry is also intensifying and, in many cases, this has already pushed rates down. The process of airline deregulation, which began in the United States in 1978 and is largely complete there, is now gaining momentum in Asia and Europe.

#### Changes in Europe

72.92 163.07 153.14 135.33 154.95

75.36 50.73 72.92 20.234 183.07 183.07 183.07 183.07 185.34 182.25 128.54 154.95 128.24 170.66 109.77 85.00 82.12 176.18 139.87 138.87 148.96 119.06 139.22

The pace of liberalization in particular is quickening. a unified EC market in air booked well in advance, price

transport by 1993. From then onwards, the member countries' airlines will be free to set their European fares at whatever level they choose. They will be permitted to offer flights to any destination within the EC. In the meantime, the strict regulations

which currently govern the

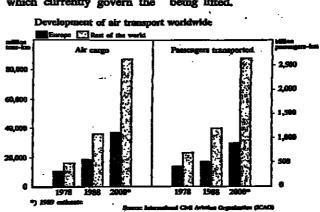
being lifted. 2,580

allocation of routes and the approval of fares by national transport ministries will be eased somewhat. The first deregulation

effect in 1988, focused on three aspects: fares (the introduction of two discount zones was approved); the previously rigid distribution of capacities between the airlines; and market access. From November 1, 1990, airlines will be allowed in the European Community to introduce a new staggered system of rates. In some Plans call for the creation of cases, e.g. if round trips are

reductions of up to 70% will be offered More liberal rules will

also be applied in the allocation of routes and capacities, with restrictions on the operation of passenger services between member states by BC carriers (cabotage)



Deregulation will certainly mean more flights to more destinations at lower fares. What is more, the distinction between charter and sched-

measures, which came into uled flights will become blurred. On lucrative, high-

rapidly expanding market for package and group tours.

However, the challenges posed by deregulation could lead to closer cooperation beand there may also be takeovers and mergers. In order to secure the advantages of deregulation for consumers, therefore, the relevant EC institutions must ensure that competition prevails.

volume routes, charter com-

panies will try to compete

directly with the regular air-

lines, while the latter will

increase their efforts to tap the

#### **Action needed**

While liberalization will clearly boost demand for air travel in Europe, the scope for a major expansion of air traffic volume is at present limited. The existing constraints can only be overcome through a package of measures, including improved coordination of air traffic control and invest-

ments to expand airports. However, the air transport industry as a whole will have to make large outlays in the coming years. Over the next ten to fifteen years, the world's airlines will probably need to buy a very large number of new aircraft. Financing such a huge investment will certainly represent a great challenge for most of them, especially since their profit margins can be expected to narrow as competition heats up.

COMMERZBANK Ste German knowhow in global finance VIEWPOINT is presented as a regular service to the interest

business and financial community by the Economics Department of Commerciank, PO. Box 100505, D-6000 Frankfurt/Maig L.

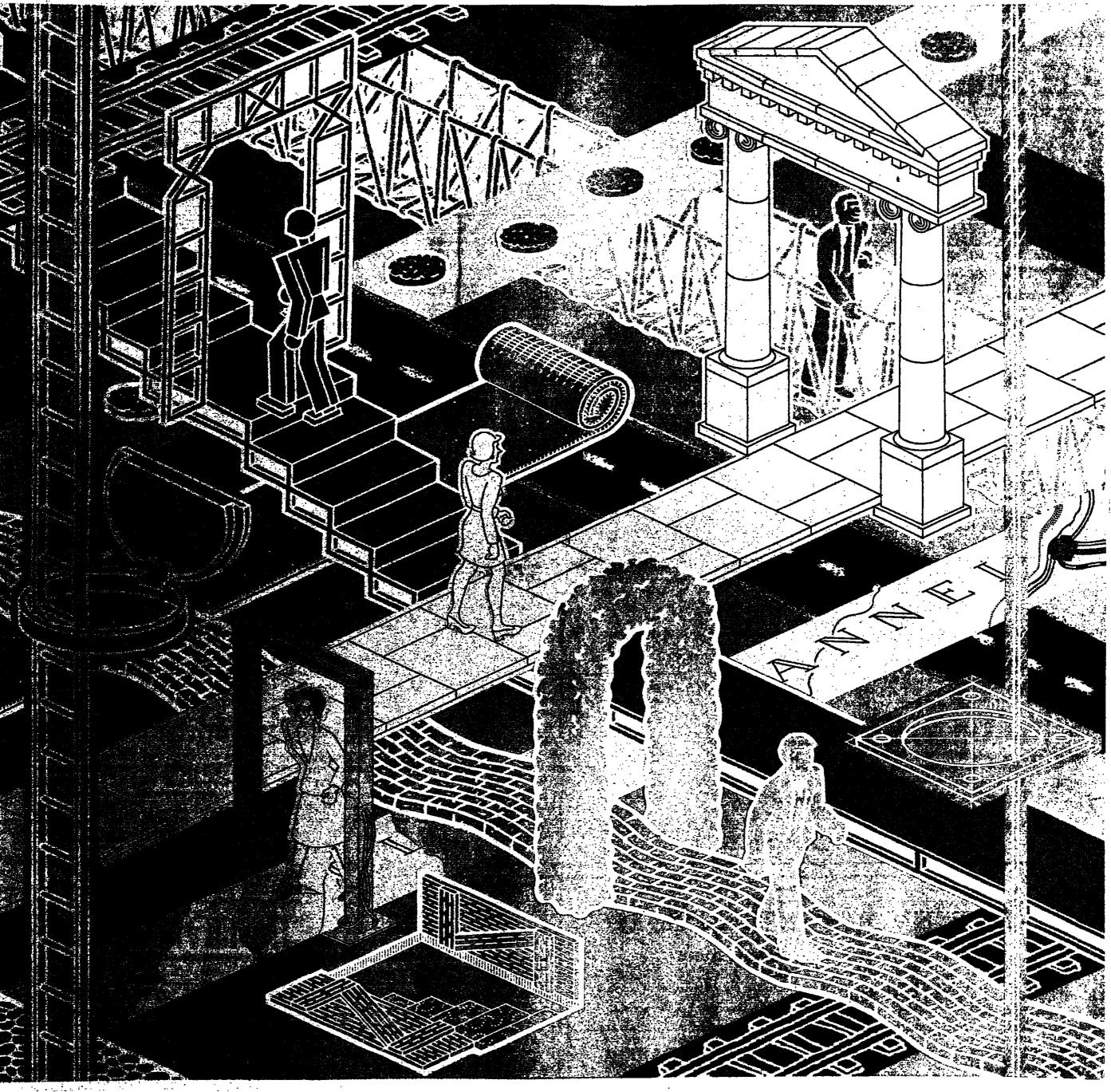
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# FINANCIAL TIMES 3ber 17 19

- PART COMPREHENSIVE GUIDE TO GRADUATE OPPORTUNITIES



■Crunch time for students ■How to assess career opportunities ■The hazards of lying ■Captains of industry tell all How to look good Interpreting hype in the brochures Killer questions

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**EMPLOYMENT OUTLOOK** 

# Fear of recession casts a shadow over job market

Education Correspondent Norma Cohen looks at prospects

THERE IS no question that the job market for many graduates will be tougher this year than for some time past. Not only has the much-vaunted demographic time bomb failed to make a dent on the numbers entering higher education, but employers are feeling the pinch of near-recession. High interest rates and high energy prices are prompting companies and public sector employers to cut corners everywhere they can.

However, it is too simple to say that demand for graduates is falling. Instead, according to the Institute for Manpower Studies (IMS), a two-tier market for graduates is emerging. According to Mr Geoffrey Pike, research fellow at IMS, demand for graduates in technological and scientific fields is stronger than ever, as universities report declining numbers of applicants seeking courses in these

Indeed, employers are reaching further down the qualifications scale, hiring those with higher education diplomas to fill scientific jobs. One in three employers in a recent IMS survey reported difficulty in hiring qualified graduates in these fields. No other category of graduate created such recruiting problems for employers.

A recent survey by the Association of Graduate Recruiters found demand for computer scientists and engineers continuing to grow, while the overall number of job vacancies has fallen.

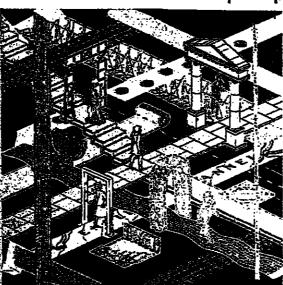
But those graduates with liberal arts or generalists degrees are likely to have a tougher time than their predecessors in the late 1980s. The data show that graduates with arts degrees are more likely than average to be without jobs six months after graduation.

Anecdotal evidence also confirms the downturn in demand for graduates. ICI, for instance, is one of several companies reporting that they plan to restrict their graduate intake this year, while other industries remain equally affected.

One recent survey, for instance, found that the percentage of graduates entering careers in banking and finance fell to 5.6 per cent in 1989 from a peak of 7.3 per cent in 1986.

However, graduates need not despair. For one thing, bear in mind that the quality of your academic credentials is only one factor employers take into consideration when making decisions about hiring.

Personality, enthusiasm, and motivation all count. Also, many jobs are unadvertised, often with smaller companies, and may provide you with opportunities you have not yet even considered.



The milk round is a phenomenon you are likely to encounter on campus later this term, when a host of eager employers do the rounds of the universities and polytechnics

Also, recruitment efforts are likely to be as strenuous as ever. Although overall demand may have fallen, employers still believe it is necessary to hire talented, intelligent young people and they are willing to compete fiercely for

Meanwhile, the decline in overall job vacancies appears to have had little impact on the infamous "milk round" with more companies than ever eager to tout themselves to graduates.

The milk round is a phenomenon you are likely to encounter on campus later this term, as a host of eager employers do the rounds of the universities and polytechnics.

Each one will demonstrate many good reasons why you should consider working for them, and it will be up to you to examine their presentations carefully. In this survey, you will find articles helping you to make sense of recruiting literature.

The AGCAS/CSU survey found that 34 institutions actually reported an increase in the number of companies appearing on the milk round in 1989. Furthermore, companies have significantly broadened their search for qualified people to include more polytechnics and colleges, suggesting that the perception of degrees from those institutions is rising in the estimation of employers.

The survey also found good news in the increasing willingness of employers to consider applicants who had taken a year off after graduation to travel abroad or to pursue other interests. Indeed, several are now pitching their recruitment efforts at those seeking short-term employment for the year off, increasing options for graduates.

One new factor that is shaping the employment picture for graduates is the rapid approach of European integration in 1992. The AGCAS/CSU survey found that employers from Continental Europe are slowly starting to participate in campus milk rounds and this summer's London Recruitment Fair contained a "European Pavilion" with eight employers. Meanwhile, some UK institutions publicise employment opportunities in Europe. For those with languages in particular, the approach of 1992 opens new avenues of career opportunities that have not even been explored yet.

So there is little need to approach the career hunt with trepidation. In this survey, we take you step by step through the process, offering advice on the very wide range of career opportunities available to graduates in all disciplines and suggesting ways to put your best foot forward.

So good luck!

# Direction-finder for graduates

Hints on how to use this guide.

IT IS probably best to view Career Choice as a kind of shopper's guide to job-huntsnopper's gaine to job-nati-ing, a guide that will take you step by step through the pro-cess of making up your mind. The guide is designed to keep in mind the specific issues fac-ing graduates, as well as to provide you with up-to-date and accurate information cov-

ering more than 80 careers. In Part One, we've tried to give you the basic picture about the market for job-hunters under the heading The Choice. In the section covering The Market, we tell you what salaries are likely to be, where the jobs are, and how likely you are to settle into a career in your first job. Remember, like love, a job may not be forever, so we lay out the options for you.

In the section on The Strategy, we describe the nuts and bolts of job-hunting. We tell you how to write a curriculum vitae and covering letter, and we have asked graduate recruiters to tell us about some of the real bloopers they've received over the years. Our article on killer CVs suggests ways to avoid shooting yourself in the foot. We also offer a few thoughts about lying.

In the section on The Interview, we describe good interviewing technique, and we've asked employers to tell us about the sort of dress code they expect applicants to fol-

low. (For most job interviews, men should remove the earring, they advise).

Also, our fashion writer, using student models from City of London Polytechnic and Westfield College, London, shows you how to pull together an attractive interviewing outfit at a price a student can afford.

Under the heading The Alternatives, FT writers tell you about non-traditional jobhunting techniques, as well as what the job picture is like in

Britain's key regions.

But what if you've followed the best advice on career hunting and still do not have a job? In the section marked The Reassessment, we suggest options for your next move. Under the heading The Obstacles, we discuss the par-

ticular difficulties that women, older graduates and members of minority groups may have in obtaining the jobs of their choice. We offer some practical advice for coping with these obstacles and highlight the experiences of those who have been there.

Finally, in the section The World, we urge you to think international. We've included a series of articles called "So You Want to Work In ... which covers France, Italy, Germany, the US and the European Commission in Brussels. We also discuss the implications of 1992 for job-seekers and talk to some employers who are interested in hiring outside the UK.

In Section 2, FT writers

In Section 2, FT writers describe career opportunities in more than 80 fields ranging from the sublime to the ridiculous, all in alphabetical order. Are you interested in being a rock star or joining the recording industry? Arts management? Acting? Would you like to make Green is see our life's work? Then see our article headed Environment. Or if your tastes run to the more traditional, there are four articles on the engineering industry and an equal number on Law.

Even if you think your qualifications are not well suited to a particular industry, it may be worth your while to read the article anyway.
Our construction writer, for

instance, found employers intensely eager to hire arts

graduates.
Each article sums up the latest industry trends, telling you whether the sector has been hit by mass redundancies or faces intense competition from foreign firms.

We have also included articles for graduates with degrees in Economics, Languages and Mathematics, out-lining the myriad career opportunities that exist in these disciplines.

At the bottom of each article is a section entitled Further Information in bold type. This gives names and addresses of people and organisations who can provide further details about careers.

Norma Cohen

#### TRAINEE INVESTMENT MANAGERS

#### Allied Dunbar Asset Management

Founded in 1971, Allied Dunbar has long been recognised as an innovator in the UK financial services industry. With an approach that has revolutionised the life assurance industry, we have grown dramatically over the last 20 years - and that growth continues. Today we have over 3,200 employees and serve over one million clients. We are the UK's largest combined unit-linked life assurance

and unit trust group.

Investment of the Group's £8+ billion funds is carried out by our investment management company, Allied Dunbar Asset Management. This company invests our assets in three principal areas, namely equities worldwide, fixed interest and property. Like most well established organisations, we have developed our own style of investment management and also a good reputation within the investment community. In 1989 over half of all the funds managed by Allied Dunbar Asset Management were in the top quartile of the recognised performance tables. There is no secret to our success, it is based on hard work and a consistent approach to world markets.

We are a young organisation based in the heart of London's West End and we are looking for two graduates with, or on their way to, a 2:1 or better to join us in Summer 1991. Your specific disciplines will be less important than an analytical mind, a keen

interest in financial matters and excellent communi-

We will provide you with excellent training under the guidance of our experienced Investment Directors. This management training programme combines practical office-based learning and attendance at relevant courses. In addition, you will be required to obtain the appropriate professional

Investment is a dynamic business and you will need to be alert with a methodical approach to your work. Your training will involve exposure to a considerable number of senior management in some of Britain's leading companies quite early on during the programme, so we are looking for bright candidates who are competent and professional.

We aim to be among the leaders in terms of the salaries we pay and offer the benefits you would associate with a leading financial services group. For further information, please write to our Graduate Recruitment Officer, Allied Dunbar Assurance plc, Allied Dunbar Centre, Swindon SNI IEL, and let us give you a feel for who we are and what life is like at Allied Dunbar.

We are an Equal Opportunities Group. Applications are welcome regardless of age, sex, marital status, ethnic origin or disability.



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■ See Section 2 for A-Z graduate opportunities guide contents  Design & Art Direction: Andrew Chappin, Philip Hunt  Editorial production: Roy Terry, Heather Parker	_

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Joe Cummings, Ingram Pinn The North Wales Scotland

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For example, if you feel you

are exceptionally good at com-

municating with people you

may wish to use these skills in a range of professions, such as

teaching, marketing, social work or journalism. But if you

are not one of life's natural

extroverts you may be inclined

to look at careers where you

Unless you already have a

burning desire to follow a par-

ticular path, you will probably find it easier to decide what

Some of these decisions will

be easy. Working for an

accountancy firm is not a good

idea if you are innumerate. By

using this process of elimina-tion you can, with a little

thought, preclude many of the

career options outlined in the

second section of this survey.

cific interests and the type of

occupation which excites you.

Write down these interests and

reflect on whether you would

ideally wish to pursue these in

a career or whether you would

be happier to keep them as lei-

Although you may come

fully alive only when listening to heavy metal music, it might

well be that you would not

choose to become a rock musi-

cian...but then again you just

Once you have made a pre-

liminary assessment of your

areas of interest you will be in

a far better position to benefit

from the guidance your careers

service can provide. They

should, at least, be able to give

you some idea of whether your

ambitions are realistic or com-

pletely off the wall. They will

also be experts in telling you

how to find out more about

your areas of interest: whether

you need further training: how

many vacancies there are in

that field; what the opportuni-

ties are like; which companies

recruit graduates from your

At this point the search

becomes really interesting and

can often be fun, for it boils

down to matching your ideal

expectations to real-life possi-

bilities. A career in the civil

service, you may decide, is not

sufficiently appealing because it may mean living in London.
A career in teaching may not

attract because the pay is too

poor. Only you can evaluate

such competing issues and

rank your order of priorities.

Only you can decide.

degree discipline.

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Think also about your spe-

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**CRUNCH TIME** 

# Stand back and look critically at yourself

John Thornhill examines ways of choosing a career

IT CAN be a terrible feeling. You start your final year without a clue about what you are going to do at the end of it. You see your friends disappearing surreptitionsly to the careers advisory service and then, somewhat alarmingly, hear them talking animatedly about interviews and companies, prospects and salaries, speaking in a jargon that you do not understand, nor care to.

Your parents quiz you anxiously about what you intend to do after graduation. Your teachers ask the same and you lie awake at night

worrying about the future. To compound your misery the bar-room bores sneer that your student days are numbered; that the best days of your life will soon be over; that bourgeois respectability beckons. A car, a mortgage, 24 children and the commuter train loom ominously on the hori-

But all is not quite the picture of unremitting gloom you at first imagined. It is, of course, possible that the whole world is conspiring to deprive you of the opportunity to fulfil your natural talents but it is highly improbable.

In spite of the recessionary tinge to the UK economy, unemployment among graduates is still low - around one in 20 - and, what is more, some people have been known to enjoy their jobs. Yes, there is life in the "real world" and much pleasure, too.

The other gratifying piece of knowledge you might take comfort from is that you are not alone. According to a recent study, nearly half of all final-year undergraduates had not decided on their career path until they reached their final year. Indecision is common.

The crunch issue is how to go about ensuring that you choose the right future for yourself and this article suggests ways to find that elusive job. But it has to be stressed that there is no easy or perfect solution. Careers advisers cannot hand you the answer on a plate, nor can careers guides spell out the magic formula. It is up to you to find it.

The first and best place to begin your search is with yourself. Before deciding on a career, it pays to analyse as objectively as possible your strengths and weaknesses.

SNOB APPEAL

Self-assessment

**LONDON University careers** service has adopted a systematic method of self-assessment called Caters. By answering all the categories honestly, you can gain a better idea of where you should begin to look. Circumstances - what are the factors that will limit your future career options? Are you tied to an area of the country by family or friends? Is there financial pressure for you to earn money quickly? Abilities - this is usually the hardest area to assess

because of the difficulty of being objective. But you should consider what class of degree you're likely to achieve, your level of numeracy and literacy, whether you're a born leader or a fixer, how conscientious or lazy you are.

Timing - how quickly do you need to find a job? Do you want to take a year off to travel or to work abroad? Do you want to postpone the whole messy process for a while and do a post-graduate degree?

Emotional Response - how would you feel about working for various organisations? Would you feel that you had "sold out" if you became an accountant? Would it worry you to work in a high pressure environment or do you want a more laid-back

lifestyle?

Strategy - how do you intend to go about achieving your goals? If you want to find a job on the milk round you had better get cracking soon. If you want to wait until after finals and search for a job at the summer recruitment fairs, then you can afford to adopt a more leisurely plan.

these characteristics because this will help concentrate your mind and force you to address the negative as well as the positive sides of your abilities. You may also wish to ask friends for candid assessments of your personality because they will give a far more objective appraisal of your talents. Computer aids - such as

Gradscope, Cascaid and Prospect - can also be used for this purpose, although many careers advisers feel these devices are of variable use. But by analysing your abilities you Some careers advisers recommend that you write down of possible careers.

SO YOU fancy a balloon trip across the Kalahari Desert? A canoeing expedition down the Amazon? Or, perhaps even a spell of voluntary work?

Well, there will probably never be a better time to follow your fancy and indulge your whims. Never again are you likely to have so much flexibility and so iew commitments as the period after graduation.

Furthermore, you are likely to be in good company, and employers are increasingly willing to be flexible about hiring you, according to a recent survey conducted by the Association of Graduate Careers Advisory Services and the Central Services Unit. The survey found that interest in settling on a long-term career immediately after graduation has declined. The number of graduates entering direct into full-time employment in 1989 fell to 47.9 per cent from 51.5 per cent just one year earlier. Meanwhile, employers are increasingly prepared to keep an open mind. Indeed, several have begun to tailor recruitment literature for the graduate seeking short-term opportunities using such phrases as "We equip you for life".

But if you do want to take a year off, it still may be wise to dip your toe into the market and test the temperature.

The contacts you make and the knowledge you gain may prove invaluable when you start hunting for a job in earnest. And you may even find an employer who is willing to wait and who encourages you to seek adventures before

embarking on a career. A good reason for starting the job-hunt while at college is because it is easy to do so. As an undergraduate you are much in demand and companies scramble to sell themselves as potential employees - a process never repeated in the outside world. There is also ready access to information and a careers advisory service.

It may be worth competing for jobs in your final year but letting your prospective employer know of your plans. Many employers, particularly in the private sector, offer students deferred entry and can be surprisingly flexible. Almost a third of Unilever's

graduate intake, for example, postpone their entry for a year. The company is happy to let them do so in the belief that it

After graduation, there'll never be a better time to head for the wild blue yonder

# Up, up and away.

Pros and cons of taking a year off examined by John Thornhill

diately for the wild blue yon-

der, then it would make sense

employers and 10,000 students.

will have more mature and worldy-wise employees.

**BREAK POINT** 

However, some employers are less accommodating, and this may become increasingly true because of the uncertain economic times ahead.

"With the impending recession it becomes more difficult to predict how many vacancies you will have in 12 months' time. This makes it hard to

offer deferred entry," one recruitment manger explains. Smaller companies, in particular, may find it impossible to match the flexible practices of

their bigger competitors, and

to return in time for the welter of summer recruitment fairs. These are often enormous events with scores of compa-

possible.

nies in attendance and many jobs on offer. Last year, the biggest of these fairs, organ-ised by the University of London Careers Advisory Service, attracted more than 200

are more likely to insist that Another good way of search ing for jobs is to scour the Cur rent Vacancies list, which con students join them as soon as If you decide to postpone your job hunt and head immetains dozens of opportunities These lists are available from your careers service. Chris Giblin, who has just

graduated from Bristol Univer sity with a degree in biochem istry, is setting off on a year's trip around the world. But before doing so he is trying to arrange a place at law college and a sponsorship from a City firm. "I want to know what am coming back to as I don't know what the job market wil



Your chance to gain an insight into working for the top 200 UK graduate recruiters by spending four days working with their young managers.

In 1991 47 Insight into Management courses will be run at the following universities (or polytechnics):

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**EXETER GLASGOW** 

HATFIELD (Polytechnic) HULL LANCASTER LEEDS LIVERPOOL LOUGHBOROUGH **MANCHESTER** NEWCASTLE NOTTINGHAM

READING **SALFORD** SOUTHAMPTON STIRLING STRATHCLYDE SUSSEX **WALES** WARWICK YORK

OXFORD (Polytechnic)

Students from any disipline can participate and find out about a variety of managerial careers from banking to marketing, from information technology to personnel, by working in groups with practising managers, who are themselves recent graduates.

NOTTINGHAM (Polytechnic)

#### Interested?

Contact your university or polytechnic careers service. If your institution isn't listed here, and you are studying for a degree, then you may be interested in our National Course, to be held in Cambridge from 9-12 April. Please call Sheila Lumbard for details at CRAC.

Would your company like to be put in touch with motivated undergraduates at 31 institutions nationwide? Do you have recent graduates on your staff who would be good ambassadors for the company and who would benefit from steering a group of students during an intensive 4 day course?

If so, then please call Christine Bishop for details at CRAC.

CRAC Insight Programme, Sheraton House, Castle Park, CAMBRIDGE, CB3 OAX Tel: (0223) 460277 Fax: (0223) 311708



Degrees of prejudice Norma Cohen on polytechnics versus universities

FOR YEARS, the conventional

wisdom has been that you go to a polytechnic when you can-not get into a university. Although for a very large

number of polytechnic stu-dents that has never been the case - and is less so now than ever before - unfortunately some employers still see it that way.
It is fair to say that some polytechnic students who had

thought of attending university, were unable to do so because of poor A-level grades. While many have blossomed in higher education, careers officers acknowledge some of Britain's most respected employers still hold their poly-technic degrees against them. While careers advisers are

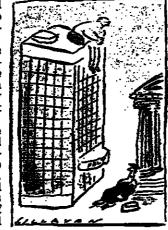
reluctant to name publicly employers who are reluctant to hire polytechnic graduates, pri-vately they reel off a list which includes some of Britain's household names. "It's still harder for the poly-

technic camel to get through the eye of the needle at companies like these," said Ms Pat Pearce, head of the careers service at Central London Poly-

"Some employers still look more favourably at a student with good A-level grades and a 22 grade at university than a student with poor A-levels and an honours degree from a poly-technic," said Mr Paul Grant, senior partner at the Job Shops, a recruitment consulting firm with branches at Leicester University and Nottingham Polytechnic.

Counsellors acknowledge that for some employers uni-versity entrance "points" based on A-level grades still act as a screening device to weed out unsuitable applications. The big accountancy firms and City law firms are the most frequent users of this system.

Still, by all accounts, employer attitudes towards polytechnic graduates have improved markedly, even within the past three years, Ms Pearce says



newer institutions producing fewer graduates than universities, they have done remark-ahly well in selling themselves, particularly as providers of high-quality technical and

business education. For certain kinds of qualifications, employers even say they prefer polytechnic graduates, especially those who have been through "sandwich courses" involving work place-

indeed, a recent survey by the Association of Graduate Careers Advisory Services and the government's Central Services Unit reveals that the number of companies who visit polys during the milk round, has risen significantly in just three years. Milk-round employer bookings at polys in 1990 averaged nearly 80 per institution, up from 57 in 1987.

Meanwhile, the average number of milk-round bookings at universities totalled about 143 in 1987, falling to about 141 in

And, perhaps because of the business orientation of many polytechnic graduates, they are more likely to be employed full-time immediately upon graduation, the latest statistics show. In 1989, 60.6 per cent of university graduates immedi-ately found work, compared with 70.7 per cent of their polytechnic counterparts.

sity graduates may have been depressed by the number of graduates doing post-graduate work, the statistics reveal polytechnic students are at least as employable, if not more so.

Mr Eric Whittington, senior careers adviser at City of London Polytechnic, believes the profile of polytechnic graduates has improved as earlier graduates move up into middle and senior management positions. "Now they are coming back to their old institutions to recruit," he said. "Employers are waking up to the fact that polytechnics are not second

For those polytechnic graduates facing the job market for the first time, careers counsel-lors offer this advice. Mr Grant says students should consider applying to small or medium-sized companies which offer good training, rather than going for blue-chip names. "Don't compromise on training, but do consider a less well-known firm," he urges. Once you have been through a good training programme and have earned a professional credential, your polytechnic background almost does not matter,

Ms Pearce says students would do well to present themselves to recruiters at as many career fairs as possible. "Sometimes those who have been unlucky in a paper sift [of job applications] have been lucky in a careers fair. They come across much livelier in person and ultimately it's personality that employers are looking

Also, she urges graduates to prepare themselves for the interview by considering how they will answer a question about why they attended a polytechnic rather than a uni-

Rather than dwelling on, say, poor A-levels, the student should talk about the skills they have learned at the polytechnic, particularly those which demonstrate leadership

# A first employer is not forever

Michael Smith analyses why some trainees drop out

doubt about her employers' annoyance when she handed in her resignation at the advertising agency where she had begun her post-university working life as a graduate trainee 18 months before.

Until then, the managing director had always been friendly, she says. "After I resigned, he ignored me, even when he saw me in the corridor. I could not believe it."

The managing director's attitude may have seemed petty. But his frustration is perhaps understandable.

Estimates of turnover in graduate recruits vary but most employers feel they are lucky if they can hold on to half their trainees for more than five years.

In industries, where the trainees do not come out with a formal qualification at the end, the wastage rate is even

According to Mr Stuart Rochester, of the Association of Graduate Recruiters, employers accept they will inevitably lose some of their graduate recruits to other employers in similar fields.

"Procter & Gamble will suffer from marketing trainees moving on to, say, Mars, but then they will get some of the Mars former trainees. Where it hurts is when the former trainee goes into an unrelated

However, try as they might, employers will never be able to

JANE CROSS\* was left in no avoid losing people to other employers, related or not. It is not entirely the fault of employers. Many graduates never intend to stay with their first employer for much longer than their training period.

Ms Paula Grayson, chair of a recruitment working party at the Institute of Personnel Management, says that a recent, unpublished survey for private clients by an opinion poll organisation, found that about half of graduates starting training courses did not expect to stay with their employer for more than three years.

Another difficulty, says Ms Grayson, is that some graduates suffer from the cultural change between university and work life, with the most vulnerable period being between one and two years after starting their first job.

"Some see themselves changing and they do not like it. Others find they misinterpreted what the job was." Employers also have to face

the fact that many graduates join without any burning sense of vocation. Mr David Atkins, a 25-year-old graduate of Birmingham University, chose to join an accountancy firm because he thought it would provide a training which could eave his career options open.

He had ideas of working in business afterwards but after thirty months' training as an accountant he decided on a completely different career path, teaching mathematics.

"Accountancy was hard work but that was not reflected in the amount of satisfaction I got out of it," he says. "In teaching the rewards are more direct, partly because you are working more with people.

Mr Atkins thinks he should have left accountancy a year earlier but he has no regrets about embarking on the traineeship in the first place because "it made me think about what I wanted to do". He has few complaints with the company with which he trained or the training it gave

Jane Cross, who moved this year from public relations to a marketing job, is rather more critical of her training and the job she did for her former employer.

"They promised so much but failed to deliver," she says. "There were supposed to be regular training days but they were few and far between. The in-house trainers often did not turn up and when they did they offered an insultingly low level of guidance."

If there had been more job satisfaction Ms Cross might have stayed longer. In fact she found little to stimulate her. "I had hoped to get involved

in communications and strategy. In fact, a lot of the job was booking hotels for company chairmen or making sure that press releases got to journal-

According to the Institute of Manpower Studies, the disillu-

sionment experienced by Ms Cross is not uncommon, partly because employers make unrealistic promises in their attempt to attract the best candidates

In a recent report, You and Your Graduates, IMS said that the reality of the job does not always meet the expectations This leads to disillusionment, demotivation and even early

The report was aimed at advising employers but graduates seeking jobs have plenty to learn from it. Ms Wendy Hirsh, one of the authors, says

the main problems for graduates to watch out for are: ■ Whether the jobs they go to, on joining the company, are

meaningful;

Whether the company has oversold the job or training ■ Whether the managers are

interested in training; ■ Whether there is a proper feedback scheme so that traines can air their grievances and discuss their problems; ■ Whether there is a career structure after the training

scheme ends. But even graduates who take sold each week and I showed

this advice will by no means be guaranteed to find the right scheme. For some, the only "What seemed to matter was not so much what you were doing but whether people knew you were doing it. They were trying to turn me into some-thing I was not."

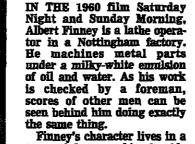
had a career carved out in per-In the end Ms James decided to get out of the training sonnel management when she joined the graduate trainee scheme of a large retailer. She scheme and of personnel and is looking for a job. "I want to do something where I have my own pet project," she says. Part of the problem was that she was given a general train-ing in retailing when she was really only interested in per-Jane Cross and Clare James are assumed names to protect sonnel. "I did not give a damn about how many blouses were the identities of the interview-



BRAVE NEW WORLD

# Work today isn't what it used to be

John Gapper looks at the changing demands of the workplace



Finney's character lives in a terraced house a bicycle ride away from the factory. His leisure time is conditioned by the demands of work: he lives for the weekend when he is released. His ill-fated attempt to break away is prompted by his job and the circumscribed domestic life it delivers him.

Thirty years on, machining of parts is largely carried out by computer-controlled lathes, and work outside factories is changing even more.

The Finney character and his work contained a number of stereotypes of Britain in the early 1960s which are being increasingly undermined: ■ Skill: A lathe operator was a fairly typical worker in postwar Britain. But the skill demands of today's technology is forcing a sharper divide between blue- and white-collar

work. The old wedge of skilled manual workers is being pushed into higher-level technician work.

Forecasts by the University of Warwick show falling demand for only one section of led and semi-skilled operatives and labourers. The biggest leaps in demand are for professional and managerial employees - up some 1.3m jobs on the level of 1986.

■ Sex: Despite the history of women's participation in factory work during the two world wars, skilled jobs in the 1960s were overwhelmingly occupied by men. But the proportion of women workers in Britain has been rising steadily. By 2000, they are expected to form 44.4 per cent of the workforce.

In turn, this is undermining the convention of men at work being supported by women at home. Domestic demands are increasingly intruding on work as tasks such as caring for children can no longer be easily contracted-out to a sexual partner.

■ Time: Finney's character works a standard 40-hour week over five days, with a

two-day weekend. Even for engineering workers, this conventional pattern of working time is starting to break down: workers at Rover Group have this year agreed to 24-hour shift patterns in return for

Part-time work has risen enormously in Britain over the past decade. Warwick has forecast that part-time jobs will increase by 1.27m up to 1995, bringing 28 per cent of all employees into part-time employment. Experiments such as job sharing are also increasing.

Industry: The collapse of manufacturing industry in the recession of the early 1980s has been followed by a growth in jobs in the service sector. At the time of Saturday Night and Sunday Morning, less than half the number of jobs were in services; more than two thirds of workers are now employed there.

Even within manufacturing, the large factory has suffered as an employment centre. Employment within factories devoted to mass production has fallen sharply as standard repetitive tasks have been automated. More jobs are devoted to innovation, and development of products.

■ Workplace: The separation of workplace and home was a phenomenon of the industrial revolution. The technology of

method of discovering they are

in the wrong field is by getting

Ms Clare James\* thought she

into it first.

left after 11 months.

mass production demanded factories rather than carrying out work at home. But technology is now offering a return to the past. The Henley Centre for Fore-

casting has suggested that 20 per cent of all days at work could be carried out at home by 1995, encouraged by the spread of computer-based work and office technology such as fax machines. The growth of white-collar work will raise the number of those who may work at home.

An upheaval in working patterns is also being encoura by broad changes in the make-up of the workforce. In common with other industrialised countries, Britain will suffer until the turn of the century from the hangover of the baby boom and the ensuing fall in the birth rate.

The result is a fall in the number of young people entering work, and an ageing of the workforce. In the early 1980s,

range guoted.

the number of older workers dropped through enforced and voluntary redundancy, but the proportion is now rising again. Some 59 per cent of workers will be over 85 by

number of women working, this is likely to mean that more workers will have to combine domestic responsibilities with their careers. Not only will a greater proportion be bringing up children, but others will have to care for

elderly relatives. Charles Handy, a visiting professor at the London Business School, suggests that more workers will lead a "portfolio life" in which they will allocate a mixture of work and other responsibilities to different chunks of time. It will be accompanied by a rise

All this indicates that a typical job for a worker of the future is going to be less predictable than in the days of Saturday Night and Sunday Morning. The lifetime of unchanging commitment that so frustrated Albert Finney's character may not even be an option for many of us.

MONEY TALK

# These are the cheques employers are writing

Look after yourself - but short-term avarice could hurt in the longer term, warns John Gapper

IF SALARY is what counts most, the message is clear enough: do not seek a job in public services.

Public service jobs, ranging from social work to management, pay new graduates peanuts when salaries are compared with those in law and Of course, after three or four

years of surviving on a student grant supplemented by work in the vacations and a large bank overdraft, any annual salary may seem enormous. But think twice before coldly

seeking out the best-paid career above all other considerations. Forty years is a long time to spend regretting avarice in a career you cannot Most students seek work in a

particular field for many reasons other than money. Those who do opt for highly paid but dull work can become losers when they drop out after a year or two.

Seeking the highest-paid opening position may not even make much sense financially, given the narrow spread of starting salaries for graduates. Many employers tend to follow each other closely across sec-

tors in their offers. Thus the typical first degree graduate in 1990 - a person aged 21 with a second class salary of £11,375. This is a respectable 10.1 per cent increase on the starting salary

How times have changed. Albert Finney smoulders over his

lathe, the typical worker of thirty years ago

The range of salaries for beginners is far narrower than that across most companies at higher levels: the salary paid the top 10 per cent of graduate earners is £13,620, while those in the bottom 10 per cent still receive £10,000.

The increases in salaries have happened despite a slow-down in the demand for graduates. Last year's strenuous efforts by employers to attract recruits, seemingly at any cost, have been replaced by a more relaxed approach.

Companies belonging to the Association of Graduate Recruiters – which calculated the figures above - expect to have a total of 19,881 graduate vacancies in 1990 and anticipate filling 19,201 of them. This is a shortfall of only 3.4 per cent, which is the lowest for some time, and well below the 7.5 per cent figure of May 1989. The lesson is that employers still prize graduates enough to pay well, but will remain selec-

At the top end of the salary range in forecasts by companies belonging to the AGR are sectors such as legal services, energy and water, and chemicatering, accountancy and public services.

Legal services companies are offering a median starting salary of £15,625, while employers in energy and water have increased salaries by 14.3 per cent as they move out of the public sector into private own-

Public services employers are still offering the lowest starting salaries, with a median of £10,800. The smallest increase in starting salary since 1989 is the 7 per cent registered by food, drink and

tobacco employers. However, a closer look at sal-ary variations shows that industrial employers match each other relatively closely in salaries to new graduate recruits. In non-industrial sectors such as banking and the civil services, salaries vary

Among industrial employers, the median salary is estimated at £11,500 this year, with those in the upper tenth of payers offering £13,000. The lowest tenth among industrial companies will pay about £10,500.

Among non-industrial employers the range of salaries is from £15,000 in the upper tenth to £10,000 in the lower tenth. This reflects the wider range of jobs in these sectors and the split between public

A salary survey this summer carried out by the Central Services Unit showed some of these disparities in the non-industrial sectors. Management and computer consultants were offering the best starting sal-

This contrasted with average offers of £9,518 in the civil service, £8,216 in local government, £9,625 in insurance and 19,423 in retailing. The offers from industrial companies were more solidly bunched around the £10,000 mark.

ary at £12.168.

The range of job offers on CSU's Forward Vacancies bulletin showed the narrow range of salaries for different types of work as well as between sectors. All the listed jobs came with salaries between £9,000 and £11,000.

Those studying for different degrees had earnings potential ranging from £9,491 for some social science subjects to £10,928 for surveying. However, the range again fell entirely tween £9,000 and £11,000. In short, competition for tal-

ent - compounded by competition on the milk round - has forced employers to offer roughly similar salaries. When income tax and national insurance is deducted, the difference between £9,000 and £11,000 shrinks even further. Salaries vary more widely

Ireland, jobs are offered at an average of £12,300; in East Ang-

Those seeking work in Lon-

don can expect a sizeable weighting allowance in addition to basic salaries. Employers in the upper tenth are paying inner London allowances of £3,200, while £2,247 is the average. In outer London, the average allowance falls to £1,200, although the upper tenth of employers was paying £1,950. Separately, an average allowance of £750 can be expected in large cities and regions around

The difference between public and private sector employers has also shrunk because of the difficulties local authorities and others have had over the past two years in attracting the right quality of graduates. But consideration of starting

salaries may not be as signifi-cant as consideration of salary ssion as you move up in

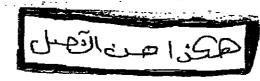
So, tempting as it may be simply to apply to the top-pay-ing employer, longer-term considerations such as job satisfaction are likely to be more important.

Information drawn from The Assocation of Graduate Recruiters' Graduate Salaries and Salaries by location - Summer 1990

Bonus, commission and London weighting have been excluded as far as

possible and the salaries are always taken at the lowest point of any

Denotes a very smail sample £17,063 [£77,000] £10,461 £10,682



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VIEW FROM THE BRIDGE

# The captains of industry tell all

Charles Leadbeater finds out chief executives' view of graduates

UNDERGRADUATES setting average undergraduate, but greater quantity of engineers out for a career in business, confident that their degree will be the foundation on which they can build, might ponder the case of British Airways. Lord King, chairman of Brit-

ish Airways, and Sir Colin Marshall, its chief executive, have been credited with turning the company from an ailing nationalised industry into one of the most successful airlines in the world. Yet neither

went to university.

However, non-graduates such as Sir Colin and Lord King are to a greater extent exceptions in business today. Management is increasingly becoming a career for gradu-

In the boardrooms of the best British companies It has become trendy for industrialists to argue that the development of their staff will be the key to their future success.

However, successive reports (by the National Institute for Economic and Social Research and the Government's Training Agency) have found that for too many companies this interest is no more than lip

The lack of input at this level is more worrying if one takes into account the fact that the quality and quantity of the supply of graduates is becoming a significant concern.It may not seem obvious to the the captains of British industry are increasingly worried about British graduates.

It is not simply that senior executives believe that universities and polytechnics produce too few appropriately qualified graduates. Many believe the problems begin at school, with too little emphasis on subjects such as mathematics, physics and chemistry, which should be the breeding ground for future engineers.

Some of the most progressive companies also recognise much of the responsibility for the problem lies with their own inability to offer the sorts of careers which will attract people. Leading companies are establishing links with univer-sities, polytechnics, sixth form colleges and schools to ensure they stand the best possible chance of recruiting the sorts of graduates they want.

For companies pursuing global investment strategies, in industries where products are becoming increasingly sophisticated and complex, the quality of a country's education and training system is a vital ingredient in competitiveness. The ability to offer a welltrained workforce is crucial to attract investment from international companies.

Indeed some British companies go so far as to suggest that the higher quality and

in continental Europe make it easier to run factories abroad.

Mr Barrie Stephens, chairman of Siebe, which has emerged as one of the fastestgrowing UK engineering groups in the last decade, says: "It is easier to run factories in Italy and Germany because there are many more qualified engineers around to run the

Mr Paul Tosch, chairman and managing director of Vauxhall Motors, the resurgent British subsidiary of General Motors, stresses the importance of developing young

"Increasing sophistication and technological advancement in products, manufacturing processes and administration in the motor industry, together with the toughest competitive environment in our history, make future management of the very highest calibre a key success factor for companies aiming to be among the leaders," he says.

Vauxhall will recruit about 50 graduates this year, more than double its intake in 1988. "We expect high standards and, in return, recognise the need to offer attractive and progressive career opportuni-

With that, Vauxhall's approach to training has changed. Mr Tosch explains:



Lord King, chairman of BA: a rare non-graduate at the top

"We are taking a more flexible approach to the deployment of well suited to the department's graduates within the company so that the general abilities of the candidate may well outweigh consideration of the specific type of degree.

"Our finance department has recruited three bio-chemists,

Sir Colin Marshall says of British Airways's graduate intake of about 200 a year: "Generally we find the calibre of graduates is very high, as most come to us with a certain

amount of business awareness regardless of the degree course they have followed

"We look for self-motivated, energetic individuals who understand the value of good teamwork and have good interpersonal skills as well as aca-

demic qualifications."
Mr David Lees, chairman of GKN, the leading British automotive group, concurs: "Management development is going to be one of the most important tasks facing us in the 1990s". Establishing a cadre of ambitious, professional inter-national managers will hinge on recruiting and training the right sorts of graduates.

Sir Denys Henderson, chairman of Imperial Chemicals Industries, Britain's largest manufacturing company, says: "We have been meeting our needs for graduate recruitment. However, we are con-cerned about the future supply of scientists and engineers, particularly given the shortage of science and mathematics teachers in schools."

Although ICI says it is never short of applicants, there are concerns about the quality of some chemistry graduates. Britain's chemistry-based industries, such as chemicals and pharmaceuticals, are strong relative to its physicsbased industries such as engineering. In those industries the concerns are perhaps even

more intense. Mr Tim Page, director of per-sonnel at Dowty, the aerospace engineering group, says the quality of graduate recruits deeply concerns its senior executives, such as Mr Tony Thatcher, its chief executive.

tive concern about the quality of graduate recruits has been very strong, in terms both of quality and quantity." Mr Page says Dowty is rela-

Mr Page says: "Senior execu-

tively insulated because it runs an extensive sponsorship programme, with graduate recruit ment in effect starting with

cixth-formers. These sponsored students account for most of the com pany's graduate recruits. The scheme costs about £1m a year Investment on that scale is only possible with commitmen

from the most senior execu

tives, who oversee the scheme Dowty, in common with other groups, has had to develop a more structured approach to recruitment in the past five years. Mr Page says "Ensuring the right supply into the industry require more than just sponsorship. I demands a series of action right from the primary schoc to encourage teachers not to neglect mechanical skills through to secondary school and sixth-form colleges.

Talking to senior executives one gains the impression tha able graduates should be in a attractive position for the nex two years. Because the Cit and professions such a accountancy and the lat attract a significant proportio of science and engineerin graduates, industry has had t respond by making itself mor

Dr Richard Sykes, the chai man of Glaxo Group Research the research and developmer arm of Glaxo, Britain's larger pharmaceuticals company takes a particularly keen inte est in trends affecting the su ply of science graduates.

Dr Sykes says: "There is n doubt that the lower number studying science, coupled wit the continued demand from non-traditional employers suc as the larger firms of accoun tants, has meant that greate efforts have been required t meet our needs. Demand fo the best can only intensify."

COMPANY HYPE THE Student Industrial Society recently concluded that com-

pany recruitment brochures with a few notable exceptions were "quite appalling". Another report by a marketing company suggested that

two thirds of students believed

most recruitment literature

was dishonest, and that three

quarters of them thought the brochures were identical. "Every brochure is the same...happy scenes that mean bugger all," commented

one student from Reading Uni-. Some companies are quite unapologetic. Brochures are designed to entice the stu-

encourage applications.

Besides, students' a students' a tion forms contain no less exaggeration and evasion, they say. It is at the interview stage that mutual misconceptions

can be hammered out. Company literature should be treated with a shovel of salt. But despite the smiling faces and gushing adjectives, the brochures still say a lot about companies, not least about how they view themselves.

City law firm, might be expected to project an image of sobriety commensurate with its standing in the respectable and somewhat stuffy world of law. Not a bit of it. The firm clearly believes it is staffed by wild and wacky people and last year it devoted considerable space in its designer brochure to tales of derring do in the wine bars of ECL. It even provided a map to all the local watering-holes.

This is in stark contrast to most other law firm's brochures, which are generally as dry as dust and contain not a single illustration of anything resembling a pub. Students should question

firms which try to project a the opportunity to go to markedly different image from business school . . . -

# Employment process is two-way traffic

John Thornhill takes a critical look at recruitment brochures

cover whether the image bears any relation to reality or whether it is simply a marketing device.
The unwary could also be

trapped into accepting uncritident's interest, they say, and to cally a company's description of the jobs it offers. sulting, the consulting arm of

the accountancy firm, is deluged with applications every year, partly, no doubt, because

What they really mean Here for the benefit of students is an erratic and none-too-serious guide to what recruiters actually mean by their hifelutin phrases. Nondescript Widgets offers For example, Gouldens, a exciting and unpredictable careers. - You'll be stuck in a dingy back office in Slough and we won't have a clue about what to do with you. Nondescript Widgets will give you the opportunity to travel and meet a wide range of people. - You'll spend half your life at Reading station surrounded by screaming kids on day trips to zoos. You'll be in a fast-track career where the sky is the limit. -We'll work you ragged for a few years then boot you out. You get to make a real

After two years you will have

You'll be making tea and

doing a bit of photocopying

others in their sector, to dis- it styles itself as a glamorous consultancy firm with high pay 'systems engineers."

and travel opportunities.
But the jobs that entrants are likely to do at Andersen bear little relation to those in the strategic management consultancy "boutiques", such as McKinsey and Boston Consulting Group Rather they compare with jobs at the big computer companies which give their graduate employees far

less exciting job titles, like ... Because we sure as hell won't know what to do with

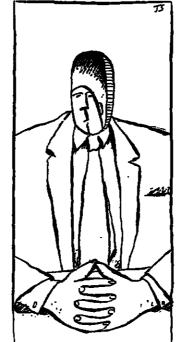
We offer you the chance to make a real impact on the fortunes of one of the country's most vibrant and ambitious businesses. We're in serious trouble and if you mess up we'll go bust. We believe our people are our most important asset and our overwhelming priority. -We don't like trade unions because they cause trouble and you'll be the last to be told that we're going to be taken over by the Japanese. i know you will have a stimulating and challenging career in a dynamic and exciting company which is sympathetic to the needs of

young people ... every year I will remind you that you are enjoying yourself and promise that in 40 years' time you, too, can become a patronising, crusty old captain of industry like myself.

"systems programmers" or

These computer companies do not attract nearly as high a proportion of applicants as Andersen Consulting, but arguably offer far broader career opportunities. It is well worth checking on a job's substance title at face value. Students should also check

that the general image of a company does not cloud their



assessment of it as a potential

employer.
Marks and Spencer, for instance, has had a consistently high corporate image among students, and recently came top of a poll of best companies in Business magazine. But jobs at Marks and Spencer, like its knickers, are not to everyone's taste.

Irene Roele, who joined as a graduate trainee, left after three years, frustrated with the company's restrictive culture. Although she admired M&S's professionalism, she wanted the opportunity to contribute

more creatively. "The training is very much by rote, and you cannot bend the rules. The senior people cannot be criticised. The company holds your hand for too long," she says.

You may or not feel this way. But at the very least you should closely question those who work for M&S and make sure you are informed of what it is like to be an employee.

Perhaps the most essential fact to remember about the recruitment process is that it is a two-way street. It is as much about you choosing an employer as it is about an employer choosing you. You should therefore treat a company's brochure in much the same way as the company treats your CV.

Scrutinise the facts, investigate unexplained areas, question the sweeping assertions and challenge any unsubstantiated claims:

'What do you mean when you say that your broadcasting company treats every employee with the utmost

respect, Mr Melly?" What evidence is there that your company is committed to the community, Mr B'stard?" Even if you don't get the job

you will certainly ensure a lively interview.

LATE OPTIONS

#### **Post-graduate** alternatives

Paul Abrahams counts the cost of staying or YOU watch your

contemporaries fight for opportu-nities in accountancy and places at law college in an increasingly competitive environment, the option of ducking the whole issue and doing a master's degree or a doctorate may appear rather attractive.

the opportunity to study an area of your choice in considerable depth. And, in the case of a doctorate, there is the advantage of there being no exams, although there is something of a mega-essay crisis at the end of it.

Both doctorates and MAs have the added bonus of allowing you to stay at college, organise your own time - without the need to feel guilty about missing lectures - and, if the research merits it, spend some time abroad. And finally, by doing post-graduate work, you can put off the evil day of making a decision about what you're going to do for the rest of your life.

There is a down-side to nostgraduate life, however. Doing research, particularly in the humanities, can be a lonely busi-

ness. Motivation can be something of a problem when the deadline for the dissertation is more than two years away. standing bank-manager. Funding is far from easy to obtain. For

sistence over three years is pro-

You will also need an underthose with means wanting to do an MA, it is possible to pay for oneself. But for a doctorate, the sum of university fees and sub-

Poverty is an ever-pressir concern for a post-graduate. Eve if you are lucky enough to g funding, the subsistence allo-ance is hardly generous. Wh can be particularly galling is see contemporaries earning we while you are struggling on a fe

thousand pounds a year. erbated by the difficulty of cor pleting the thesis on time. On 55 per cent of those startir humanity PhDs in most yea actually finish within four year Whatever subject you're stud ing, the chances are you wi spend at least a year withou

It is hardly surprising, the that many give up their researc after a couple of years. Receifigures show that 15 per cent those with Economic and Soci Research Council grants for pos graduate study withdrew with four years of starting.

A further disincentive is th the chances of your doctora being a passport to the academ life in higher education instit tions are very limited.

For example, the History : Universities Defence Group es mates that only 1.2 per cent history lecturers in higher ed cation are aged 30 and under, ar that only 19 per cent are und 40. It is likely the same could i said for most subjects.

Since the chances of using post-graduate degree to obtain a academic post are limited, you will eventually be forced on the graduate recruitment marks Continued on next pag

# Practical people leading the field practically everywhere!



A diverse and widespread Company, Pauls owes its cohesion and dynamism to the theme of 'food' which is central to all its businesses. More than 2000 people are employed in upwards of forty

Pauls Agriculture is one of the UK's leading compound animal feed manufacturers, producing nearly 1 million tonnes p.a. from its nine mills. Pauls Malt is Europe's leading maltster and one of the largest in the world with a production capacity of over 400,000 tonnes p.a.

Pauls Foods manufacture a variety of food products including breakfast cereals, packet soups, sauce mixes, savoury flavours and flour.

Edward Baker is one of the largest producers of high quality, dry and semi moist complete pet foods. Opportunities exist for people who are qualified in a wide range of disciplines. We do not believe it is essential to have one particular qualification; we look at the person not just the piece of paper.

# **HARCROS**

Timber & Building Supplies This Division operates around 240 outlets

throughout the UK offering a comprehensive stock range of over 15,000 timber and building products. Our customers are builders of all sizes, from the smallest to the largest multi-national contractor. Each outlet is controlled by professional management, supported by committed employees, trained in the product knowledge and customer care expected by customers used to unequalled service.

Another aspect of our activities is the bulk import and distribution of timber and panel products. The company owns two of the most sophisticated sawmilling and machining operations in the country, at Barking and Widnes.

The Division also operates in the Irish Republic, Australia and the United States. Building and Construction is one of the largest

sectors of the country's economy. It follows therefore that any company supplying its requirements can offer excellent prospects in



Harcros Chemicals are specialists in the manufacture of inorganic and organic chemicals.

In inorganics we are the world leaders in the production of chrome chemicals with plants in the UK and USA.

Our organic activities cover a range of speciality chemicals such as polymer additives, radiation curing chemicals, surfactants and polymethanes. Manufacturing is carried out in the UK, Europe, Australia and the USA, with marketing and sales activities spanning the globe.

Iron oxide production is another of our major activities. Here again, we manufacture on both sides of the Atlantic.

We are interested in graduate Chemical Engineers and Chemists, to support our many production processes as well as for research and development, together with Mechanical Engineers for the intenance of a variety of process control plant

#### INALEX

This Division, with operations in North and South America, Europe and Asia-Pacific, provides a range of products and services particularly for mining and environmental technology-related industries. The core of the company is the manufacture of equipment utilizing Linates wearresistant rubber. This is produced in our own factory in Malaysia.

Emphasis is placed on good product design and indepth knowledge of markets and applications. A unique aspect of the business is the combination of rubber technology with mechanical engineering.

An ability to understand customers' problems and to provide solutions will be important. Good munication skills are a prerequisite.



sobtain information on curves opportunities with any of these Companies,
made apply in writing tir John Ratmard, Group Human Resources Manager,
strious & Grouffeld plc., 20, Sc. Dunstan's Hill, London, HC3R SLQ.

Harrisons & Crosfield plc., 20, Sc. Dunstan's Hill, London, HC3R SLQ.

ontinued from previous page on't think, however, that a ost-graduate degree will nec-ssarily be an added bonus on

In part, your employment respects depend upon the subct of the thesis. Scientists, in eneral, fare far better than umanities students. A postoctoral candidate can, on verage, expect an offer about 4,000 more than a candidate ith a good second-class honurs degree, if the job is out-ide London.

But, even for scientists. iere are variations. Although. ne demand for electronics and ommunications specialists is ine times the supply, there re five times too many physists with qualifications related ) particle and atomic physics. For those with further egrees in the humanities, the tuation is far more difficult. dmittedly, MAs can be used s stepping stones (an MA in evelopment studies is, for sample, one of the ways into haritable work) and may aprove your earning power, ut many employers are wary graduates with a PhD unless ie research has direct releance to their sector.

Indeed, a PhD can be a passort to discrimination. A few ears ago, a personnel man-ger for one of the large solici-ors firms in the City has imitted that on seeing the tters PhD she gave a cry of 'reak" and placed the form in 1e reject tray.

Although the attitudes of raduate recruiters have nproved since then, some eruiters remain suspicious. nd there is a danger that as le UK job market tightens ad the economy heads into cession so PhDs will become creasingly marginal.

Nevertheless, there are ways r post-graduate students to themselves - if they are illing to compete with underaduates and not expect spe-

al treatment. If you can compete - and mpete on time - vou can pint out that you are:

Part of the cream of the Brith university system. Those ith PhDs are ready-screened: impetition for research places intense and nearly all those ho win British Academy or esearch Council grants have irsts or Upper Seconds.

More than a first-class brain. y completing a thesis you ave demonstrated that you in think critically, weighing id evaluating complex evience from varied sources. orking independently, you ave finished a thesis and nown an ability to persevere. Likely, with a bit of luck, to

Creative, with new ideas and proaches. You offer an ideal mbination of the creative nd the applied.

In the end, you will need to ersuade employers that you ee no different from other aduates, except for three ctra letters - and a little ore besides.

or sources of funding see Postgraduate study and search" published by the ssociation of Graduate areers Advisory Services vailable at the careers serAPPLICATION FORMS

# Vital written evidence

John Thornhill on the art of answering questionnaires

UGH! Application forms! Don't you just hate them. Whatever your intentions,

you will almost inevitably end up completing a form in the middle of an essay crisis while listening to the unearthly sounds of fellow students playing rugby with a beer can in the corridor outside.

At such times, it is perhaps not surprising that your synap-ses fail to spark and you end up filing the wretched thing in the hin.

But such a prospect delights Mr Brian Hyde, the graduate recruitment manager for IBM, since he says he does not want applications from people who are not prepared to spend time answering his questionnaire.

"We are trying to deter the faint-hearted. Every torn-up application form is a success as far as I am concerned," he

says, somewhat unexpectedly. Mr Hyde believes: if you can't spend time on us then why should we spend time on you? This encapsulates the first essential truth of applications: be certain you really want to apply for the job and be sure you do so well. Every year companies receive thousands of application forms that have no chance of success. These are a waste of time for the students who fill them out as much as for the personnel

managers who read them. Students apply for jobs that do not exist, or specify impossible locations. Some fail to answer crucial questions, forget to write down their address so companies are unable to respond, or even send in other employers' application forms. Such tactics are hardly likely to endear one to the employer.

Before even touching the application form you should check that you are qualified to apply for the job. If the company specifies that they are only looking for civil engineers, then it is obviously a waste of time for language stu-

dents to apply.
You should also make sure that you would be happy to consider the job if offered. If you do not want to work in the grim grime of London, it is no use applying for companies which have vacancies only in the capital.

Although no application form, no matter how well completed, can guarantee an interview, there are several steps you can take which will increase your chances. These owe far more to common sense than to earth-shattering philosophical wisdom. First read the application

over carefully before writing anything. Some applications specify that responses be written with a black hallpoint pen or some other type of ink. If that's what they want, do it. Also, you may get to page two of the application and find that you were only supposed to begin answering questions at page four.

■ Answer all the questions. It is very easy to skip "tricky" questions thinking you'll come back to them later or simply fail to state whether you have a driving licence - a very important consideration for many sales jobs.

■ Write your answers on a piece of scrap paper first. That way, if you later wish to change what you have written, you will not have to scribble over a previous answer.

■ Keep your application form clean. Coffee stains and may-onnaise marks suggest that the application was filled in hastily over a lunch break. Too many recruiters complain of applica tion forms that are crumpled and dirty, or have been com-

pleted carelessly.

Write legibly, or even type the form if you are sufficiently dexterous. An unreadable form will go unread.

■ Write proper sentences, not notes or lists. Explain your interests in a few simple sentences but do not feel you have to fill every square millimetre of blank paper.

■ When asked to describe your interests, omit those which make you look silly or frivo-lous. Also, don't write too many of them. Employers know human beings can only be preoccupied with a limited number of passions at one time.

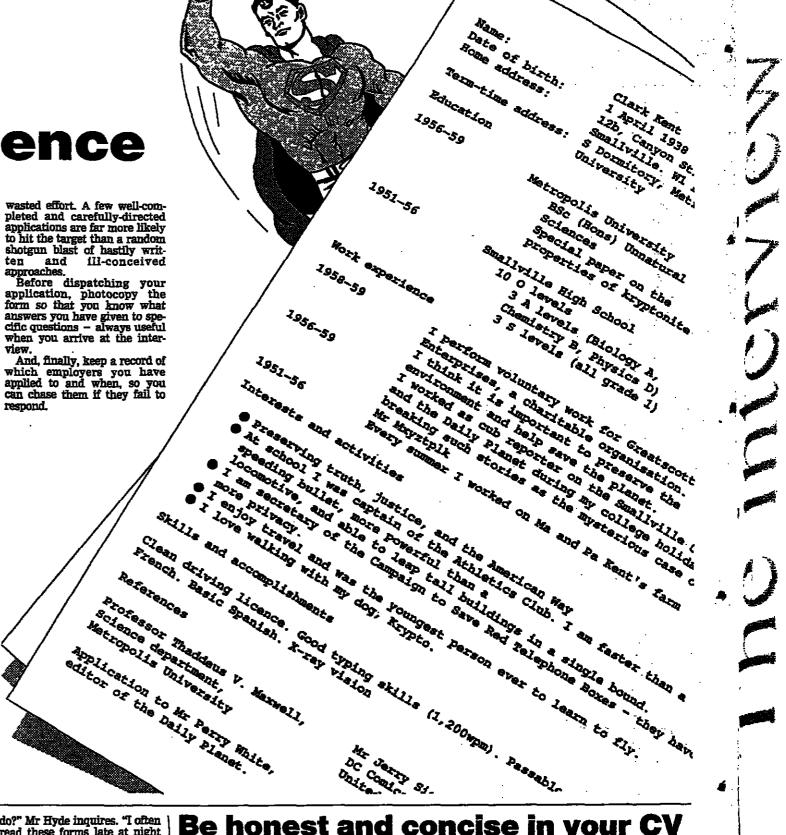
Try out some of your proposed answers on your friends. What sounds great to you may sound very corny to someone else. It always helps to have a second opinion.

■ Get someone to read through your form and check for spelling errors and omis-

Apply before the closing date, although, in truth, many companies are increasingly flexible about deadlines. ■ Invest in a bottle of Tipp-Ex.

Filling in application forms does consume much time at a stage in your educational career when you are under great pressure. But in a strange way that makes it all the more important to fill in forms as well as you can to minimise the amount of

respond.



SOME stories are legendary.

Mr Brian Hyde\* of IBM said the student was mailed a job application, and its return was the most eagerly awaited in the history of the company.

tion-grabbing, worked for that more conventional approach.

about yourself, it's best not to Graduate recruiters say that

There was the female student who sent a saucy postcard to IBM asking for information on careers. The card featured a woman taking a driving test, while the driving instructor proclaimed: "That is not the gear stick, Miss Brown!"

This technique, while atten-

student. However, students are generally advised to take a Ms Julie Walsh of Kingston Smith, the chartered accountants, recalled a graduate listing among his awards second prize in a fancy dress competition. "If that's all you can say

say anything at all," she says. the real howlers on applicants' CVs usually turn up in the section on "interests". Students are tempted to write too many to make themselves look interesting or instead, are honest. and show themselves to be either frivolous or boring.

THE GRADUATE

**JOB FAIRS** 

**Scotland** 

10.00 am - 8.00 pm

London

The Barbican

5th December, 1990

The Graduate Job Fairs, organised by AGCAS and CSU

are specifically designed to put

recent graduates and graduate

job changers in touch with major

UK employers. Full details of

visiting employers and their

vacancies are available from

Careers Services the week before

the Fair.

#### And what do you do after hours?

Mr Paul Mullane of the Home Office recalls the applicant who among his interests listed cricket, noting that he was the captain of the team. But he then went on to add football, tennis, rugby, squash, snooker, darts, fishing. "By the end of it, I was brain dead,"

Employers are only looking to see whether the candidate has a broad spread of interests and is able to relate to the real world. They do not expect a catalogue of ripping yarns to rival Richard Branson's extracurricular activities.

Nevertheless every year they receive their fair dose of weird and wonderful responses. Commercial Union must win the prize for the weirdest contribution. "Walking in the rain and seeing whether I can get home in time for tea," was one candidate's best shot.

The Post Office scores highly "What does this mean? What on the wonderful front. Duck does the applicant actually

breeding and non-competitive log-sawing were two of the more exotic hobbies their candidates could boast. Mr David Thompson, gradu-

ate recruitment manager at the Post Office, says: "Most students are interested in sex, food and television and you get they obviously have not been interested for donkey's years. All we are looking for is well-rounded people with longer-term potential." Too little information can be

just as perplexing as the too obscure, Mr Hyde gets particu-larly upset by unadorned lists of hobbies. One application form for IBM contained a short list of interests written in a small scrawled hand squashed into the upper left-hand corner. Chess club, rifle club, college magazine, snooker club, music, the list ran.

"What does this mean? What

do?" Mr Hyde inquires. "I often read these forms late at night when my imagination runs riot. Perhaps the student tears up the college magazine into small pieces, makes papier maché out of them, sticks them on a snooker table and shoots at them with a .22 rifle while listening to music. Who knows?

Honesty is a policy that can prove successful. If there are any discrepancies in your CV, for example, it is best to explain them. One woman who applied to

the Post Office was keen to explain why her A-level results were so bad. She claimed she had been at a single-sex school for her O-levels but had then gone to a mixed school and "discovered boys", who had had a had influence on her academic performance. Her honesty was rewarded with a job. \* Mr Brian Hyde lectures at a dozen universities and colleges on the subject: "The application game and how to lose it." Keep your eyes open for it at your careers office. It is well worth

#### Be honest and concise in your CV

WHEN it comes to writing a CV. less is more. "Honest and concise." is how

Paul Mullane, recruitment officer at the Home Office, says he likes to receive them. Personnel managers agree that no young graduate could possibly have relevant experience taking up more than two pages. Any more is seen as padding and is a turn-off. in fact, a onepage summary is probably

Also, do not send photo-copies of your diploma, creden-tials or publications. They simply create clutter and are bound to be lost. If the com-pany regards you as a serious candidate, you will be asked to supply these later on.
While CVs look better if they

stand out from the crowd, he says. It is what is on the CV

are typed, it is not necessary that they be, as long as they are legible. In fact, Mr Harry Lister, head of recruitment at Hongkong and Shanghai Bank-ing Corporation, says he imme-diately discards any fancy cov-ers or folders that enclose a CV John Thornhill and replaces it with a staple. Such devices do not help you that counts. Mr Lister urges students to

make sure they enclose their term-time address, telephone number and their home details. Sometimes a candidate is overlooked simply because he or she cannot be located. The only information you need include in a CV is academic experience, including

A-level grades and possibly O-levels. Also, include any relevant employment or experience as a voluntary worker likely to impress a personnel manager. A turn on a Tesco cash register may be omitted, unless you were promoted to a managerial post.

Scholarships and awards should be mentioned, although personnel managers say this is often where candidates make themselves look foolish. "One girl included her 25-yard swimming medal," recalls Ms Julie Walsh, partner at the chartered accountants firm, Kingston Smith, Only awards which ton Smith. Only awards which attest to academic, leadership

or entrepreneurial skills are worth mentioning, Ms Walsh believes. Skill at sport may be included if you were a team captain. Also, any student activities at university are worth mentioning.
Every CV should be accom-

panied by a covering letter. explaining which job you are seeking and why. Again, keep it short and simple. You may wish to write a few words explaining how you heard about the company. Ms Walsh says she is always impressed by an applicant who has done some research.

If there is some part of your application that you wish to explain, keep it short and simple, For instance, you may have had poor A-level grades due to circumstances beyond your control. Ms Walsh says she is sympathetic to those who may have been ill or whose parents were having marital troubles. "But don't put it across as a sob story. Be matter of fact about it."

Norma Cohen

**FALSE PRETENCES** 

# It is risky to be economical with the truth

If you're wondering whether you can get away with a lie, Norma Cohen advises 'Think twice'

NOW let's have a few honest words about lying. The official words about lying. The candial line from any personnel manager, corporate official or graduate recruiter is going to be "Don't do it". Although their advice is self-serving, it is probably sound. The consensus is that anyone caught lying on an application or in a CV will immediately be eliminated from consideration and is Central Hotel, Glasgow 23rd October, 1990 from consideration and is unlikely to be considered for a job at that company again. Furthermore, if your lie is believed, but uncovered later, 2.00 - 8.00 pm you could well be dismissed on 24th October, 1990

On the other hand, graduate recruiters admit that there are a wide variety of claims from applicants that are simply taken at face value. For instance, says Mr Henry Lister, head of graduate recruitment head of graduate recruitment at Hongkong and Shanghai Banking Corp, if you claimed to be student body vice-president in your second year at university, "we simply would take that on trust".

Whether or not to lie is a moral decision that only you can make. And, of course, an uncomfortable secret could haunt you long after you have

haunt you long after you have started work. But if you are considering stretching the truth, do take into account your odds of getting caught.

First, most graduate recruiters say they do ask eventually

to see your actual academic credentials, stretching all the way back to secondary school. One story circulating at present concerns a recent graduate trainee, hired at a leading accountancy firm. She had been hired, among other things, on the basis of spectac-niar O-loval grades Herrows



there several months, the firm discovered that she had in fact failed all her O-levels first time around and had achieved the excellent grades on the second try. She was fired on the spot. But what if the company had never checked? How would they have ever known? Privately, what you are probably asking yourself is how honest you must be and whether hon-

kinds of lies - lies of commis-sion and lies of omission. What you don't tell them about yourself may be as revealing - or as damaging — as what you do say. If your hobby is football hooliganism, for instance, it is probably best not to say so on your application. Even if your weekend interests are simply frivolous - such as going to discos or to the pub - there is

may not even wish to disclose to your employer that you are an active member of the Green Party or a member of CND. Your politics are nobody's business and unless your prospective employer belongs to the Economics League, they are unlikely ever to know.

There are some matters of personal delicacy that you may also not wish to tell a prospec-

tancy firm recalled a trainee who claimed to be single with no dependents. He performed well, until his accountancy exams came up. After failing twice, the firm told him he would have to leave. At that point, he confessed he had been involved in a bitter cus-tody battle with the mother of his illegitimate daughter and had been unable to concen-

should have told them about it from the start. But the recruiter concedes that had they known of the illegitimate child, they might not have hired him in the first place. However, Mr Lister also warns against trying to make yourself sound too interesting

and lying in the process. One recent applicant included "parachute jumping" among her interests. It turned out that she had undertaken a single jump for a charity five years previously and had not seen a parachute since. Needless to say, the hank parachet say. say, the bank passed her over.
So, while you are not likely to be asked to document your private life, personnel managers may subject you to close questioning about it. If you're lying, they will know. Mr Paul Muliane, of the Home Office, recalls an applicant who claimed to have an interest in Babylonian archaeology. "That seemed too good to miss," he said. The interviewer studied say, the bank passed her over. seemed too good to miss," he said. The interviewer studied the subject in preparation for meeting her, only to find out she knew nothing about it. Needless to say, she found employment elsewhere.

One recent applicant to Reuter, the international wire service, claimed to be fluent in Arabic, knowing that the company is interested in foreign language speakers and calcu-

language speakers and calculating that no one would be able to quiz him. Unfortunately, the Middle East bureau chief, an Arab, was in the office that day, dashing the applicant's horses. applicant's hopes.

Meanwhile, countless other people, great and small will tell you how they lied to get their job. Ultimately, the deci-

حكذا صناتها

DRESSING UP

# Time to hang up your jeans

... but the alternatives need not be dull, says Lucia van der Post

THE INTERVIEW is looming. It's the job of your dreams - or maybe it isn't but you need it badly - and you are well aware that a lot is riding on the outcome. You've prepared yourself as well as you can: studied the company, its ethos, its needs and what the job entails, but then you are faced with the problem of WHAT TO WEAR

It's quite a jolt in the days when a few pairs of jeans and T-shirts are all you need, to realise that you face a life-time of "appropriate" dressing. The facts of the matter are that how you look will affect the way you are perceived. It's not enough to be able to do the job; you have to look as though you can do the job and that means scuffed shoes, ill-cut hair and crumpled suits will have to go.
If all that sounds a bit

depressing, take heart from the fact that simply because you have to be dressed appropri-

ately, it does not mean you have to be dressed boringly. Today there are more stores than ever eager and willing to provide a look that is suitable, fun and adaptable at prices that are exceptionally good.

The basis of the working girl's wardrobe will probably be a jacket. This could either be short and cropped or long and curvy, but try not to choose anything that looks too bossy or reeks of executive bustle. The jacket should work with trousers, the newer ski-style preferably, as well as with culottes, or a long or

In my opinion, soft suits (as opposed to tallored versions) are the most flattering, and possibly the most interesting way to put one together is to buy a jacket and skirt that work both separately and together. For instance, in our picture Kate is wearing a check tweed Chanel-style

iacket which comes with a matching tweed skirt but we preferred to team it with a black riding skirt, which looked younger, fresher and less severe. The suit itself comes from C&A and costs

The clever way for those with limited finances to stretch their wardrobe is to mix and match, and these days the shops and chain-stores that specialise in the less expensive. younger end of the market all have collections geared for

For instance, at Debenhams we chose a light green skirt for Kim and with it she could have worn either a poloneck sweater, a silky T-shirt or a "body" and topped that with a three-quarter length swing jacket (very Fifties, very "in") or a matching green short, slightly curvy jacket, or a toning floral version - each would have looked good and ish extras to add a bit of dash to any outfit.

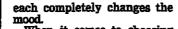
Winter coats do not seem high on anybody's agenda which could save a lot of cash. Serapes are the thing which is handy, since a serape, unless it comes in cashmere, usually costs a great deal less than a winter coat. Cheapest serapes I know come in navy from Asda and cost a mere £24.99, but you will find them in every colour somewhere on the high street.

For chaps, suits are more or less de rigeur - unless you are entering one of the so-called "creative" professions, when you will find the unwritten strictures just as severe but a lot less clear.

The great bonus of the suit is that it simplifies dressing. As ever, the classic suit, particularly if in an inexpensive fabric, looks best in navy, black or grey. Buy the best quality you can afford, and for those who



**BEFORE: A student couple** 



When it comes to choosing the jacket, try to buy as high a quality as you can afford - the better the quality, the longer it will go on looking good.

The old advice about shoes and handbags used to be to buy nothing but the best these days when low pumps often look best with the new ski-style trousers and the longer skirt, even as up-market a shop as Harvey Nichols is selling excellent, plain flat black pumps for £12.95.

The clever chains such as River Island, Miss Selfridge and Debenhams are doing jaunty handbags for well under £20 a time which, in my opinion, are more suitable for the very young than staid and cheap copies of classics. River Island often has excel-

lent-looking shoes at very low prices - they may not last forever, but they are well-styled and far from the shiny plastic versions that were all the cheap shops once sold. As ever, the classic Chanel-

style suit is much in evidence, and the easiest way to upgrade a chain-store version is to sew on classier buttons. At C&A the purple, illac and black version costs £69.99; at Debenhams there are some at £64.98. Above all, though, do not look too staid. Nobody wants

to employ the dullest girl on the block. A pair of witty earrings, or one big, bold brooch, can "lift" even a very plain jacket. Both Hennes and River Island are excellent places to hunt for inexpensive but styl-



packet is a trifle tough, the cheapest all-wool suits I could find were by George Davies at Asda. George Davies has always specialised in a lot of style for money, and his single and double-breasted pure wool grey-flannel suits at £89.99 take a lot of beating.

C&A has always been another stopping-off point for the fashionably-minded and hard-up - as with every chainstore there are some horrors around, but if you keep your taste buds on full alert it is possible to dress stylishly at a surprisingly low cost.

Once the pay packets start rolling in, you could look at the City Collection – priced at the higher end of the usual C&A range (for instance the suit worn by Martin, photographed, is £120), here are pure wool suits that could go any-

Next and Principles are two other chains that have tried to give a classy, classic look at young pay-packet prices, so take them in on your trawl through the shops. Debenhams is another haven

for the hard-up snappy dresser suits start at £89.99 (although pure wool ones start at £140), shirts (a poly-cotton mix) at £8.99 and leather shoes

Shoes and ties you should try not to stint on - classic leather shoes, after all, never go out of fashion and will last for ever, while cheap ties can make even an expensive suit



AFTER: A city-slick Kim Donovan set to take on any interview panel

E Kim Denovan is 22 and is studying social science and administration at Goldsmith's College, London. She turned up looking brown and athletic with tiny shorts, a pink T-shirt, a denim jacket and an enviable mane of wild curts. She looked good in most things but we settled for a dark yellow suit in 70 per cent polyester, 30 per cent viscose with a straight skirt (£22.99) and jacket trimmed with a black velvet collar (£42.99). With it wore a blue patterned shirt from the Anne Brooks Petite collection (£22.99). The black suede shoes were £19.99, and the patent handbeg, £16.99. All from Debenhams. We calmed her hair down with a firm Alice band, gave her a little make-up and she looked ready to take on any

interview panel.

# Paul Birkett is 21 and is studying design at the City of London Polytechnic. He expects to spend about £100 on a suit he owns two already — and even though in the world he's aiming for, suits aren't de riqueur, he

would wear a suit for an Interview. He liked the Prince of Wales check suit in a 60 per cent wool, 40 per cent polyester mixture at £110, and with it chose a cotton-rich (70 per cent cotton, 30 per cent polyester) blue striped shirt with button-down collar, £14.99. The blue paisley patterned tie is silk, £10.99, and the brogues are leather, £29.99. All from Debenhams. Suits start at £89.99, pure wool suits at £140. **E Martin Lindsay** is reading London Polytechnic. He turned up in his student gear of jeans, sweatshirt and jacket and we searched for something from C&A's newly-launched City Collection. As he is splendidly built, being some six foot tall with a chest size of 44-46 and size 14 shoes, we thought the City Collection did well to meet his needs. We found a stylish greeny-grey double-breasted suit, 65 per cent wool, 35 per cent polyester by Angelo Litzico which fitted him beautifully - the jacket

be bought separately (a good idea is to buy two pairs of trousers for every jacket - a good way of extending the life a suit). With it we put a 100 pe cent cotton shirt by Westbury. £19.99 (they come in sizes 14-and a patterned silk tie for £12 C&A's new City Collection can found from the city branches c C&A and in about 40 of its stor ■ Kate Lloyd came in wearir very worn, patched jeans and baggy T-shirt but was

a checked tweed Chanel-style jacket teamed with a black rid skirt. The jacket in purple, fila and black is part of a suit in a wool/acrylic mix which sells to \$69.99 and the black polyester riding skirt sells for £24.99. We accessorised her outlit wit lliac felt hat and a black velve band at £17.99, a fuschia oink sweater at £24.99 and a match scari at £9.99. Because Kate i tall (5ft 10 in) we suggested bl suede flatties (£25.99) worn w opaque black tights, £1.50. All from most branches of C&A.



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Birkett as his friends know



# AFTER: Paul Birkett as the very model of an interviewee

AFTER: Happily transformed - Kate Lloyd and Martin Lindsay

WHEN it comes to dressing for your interview, it pays to turn up looking clean, smart and business-like, because that first impression is so important. Use your common sense — let your qualifications do the talking and not your clothes. Graduate recruitment offi-

cers are well aware that stu-dents do not have a lot of money to spend on work clothes and they do not expect you to furn up in a suit from Savile Row or Chanel But the old adage "Never brown in town" still holds true, especially in the financial services industry. So when you are going out to buy your interview suit, choose dark blue or grey. White socks are also frowned on, unless you are applying for a job with a Swiss

company.
Women should be wary of wearing smart trousers because the interviewer may not be the young, trendy executive they met at the company's presentation on the milk round but could easily be an elderly, old-fashioned but very senior manager who might not approve. Too much make-up and bright nail varnish could also be off-putting. Remember, you are dressing for work, not

a night on the town. Hemijnes are another sticky point. Most graduate recruitment officers interviewed for

# Suit yourself appropriately

Antonia Sharpe gives some timely tips

acceptable. But before you buy your interview suit it may be worth sitting down and crossing your legs in the shop to check that the skirt does not ride too far up your thighs.

A smart appearance reassures the company interviewing you that you really want to work for them. Mr David Clifford, the student recruitment partner at KPMG Peat Marwick McLintock, the accountants, says: "We offer 1,000 places a year and we might have 10,000 applicants. The candidate's appearance shows how badly they want the job. If they come looking scruffy I will think that they do not want this job."

The interviewer also has to consider the candidate will one day be an ambassador for the company when visiting clients. Mr Clifford points out that smartly-dressed employees form part of the professional image Peat Marwick wishes to

personal contact. First impressions are important because that is what clients see," he

Clean hair, hands and nails

are important too, especially if you are seeking a career in the food industry. Mr Nick Green, graduate recruitment manager at Sainsbury, says the candidate's dress attire does show something about the individual. "Even if we are going to put them into a uniform when they come and work for us in the retail division, they must come dressed for business. Men should wear a suit and tie and women should be in business attire," he says. Long hair on men and dangly earnings on women would not go down well with store managers who

It might be wise for men to part company with their pony-tails and earrings, if they have them, when they go for inter-views "Pony-tails and earrings

also conduct interviews, he

ciently unusual to not be entirely acceptable in the City yet," Mr Clifford says.

Obviously there are some careers, such as advertising, where dress attire is more relaxed. "If you are going for a job in the creative department of an advertising agency, where people wear whatever they like to work, they would find it a bit peculiar if you turned up in a pinstripe suit and tie," says one director of an advertising agency. But he hastens to add that if you are applying for a job in the section handling accounts, which is the public face of the agency, then business suits are the order of the day. "It would not help if you turned up in a latex mini-skirt and Doc Martens."

"Clients do judge you by your appearance and if you turned up looking dishevelled they are less likely to take what you say seriously. If you look a mess they will assume that everything you do is a mess," the director says.

Looking the part will help enormously in bolstering your self-confidence when you go for that all-important interview and a smart appearance might give you the cutting edge if you are neck and neck with another candidate for the job. There will be plenty of time once you have your foot in the door to show off your dress



(£80) and the trousers (£40) can

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e interviewers have rigorous selection techniques. Beware of too laid-back an attitude

# Face-to-face survival course

w to keep your cool: tips from Marian Edmunds

view ensure that all your are fastened. nat advice comes from the

uate recruitment manager one of the big clearing is. Usually candidates have led into the cloakroom re the interview and, in a of nervous and c forgotten to make a lastute check.

terviewers generally rd it as kinder to the cante if they do not alert them uch indiscretions so that can maintain their compo-. If candidates find themes in that embarrassing tion, it is best not to get ered. Attend to the probbut avoid being distracted. te bank manager recalls a lidate whose earring ped to the floor during the view. She continued as if ing had happened winning iration for not being flus-

IN you are going into an tered and maintaining her con-

Similarly, Mr George Short, training editor at Reuter, recalls one applicant who dropped a briefcase full of papers on the floor during an interview. In spite of entreaties to leave it be, she insisted on them, exasperating the patience of the interviewers. She was not hired.

There is no denying attention to dress and accessories is important but the interviewers are looking far beyond that.

Even a handshake may help an interviewer form an opinion. A mental note will be made of someone with a sweaty or wet handshake, a limp handshake, or a handwrenching grasp.

A tip is to always open the door with your left hand to avoid a clumsy handshake as you enter the room.

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**AS A GRADUATE** 

To be really successful at an interview candidates need to sell themselves. They should avoid monosyllabic replies and should ask intelligent questions. According to the bank recruitment manager, too many people ask banal ques-

idate who a intelligent, thought-provoking questions can turn the interview in their favour. Mr Short says he is particularly impressed by candidates who appear to be listening carefully to the answers and who respond with a good follow-up

Try to anticipate the questions and inform yourself about the field in which you hope to work. For this reason, it is advisable to do some earch on the company or on the industry. "The best interviews become conversations," says the bank manager.

THE question most often asked

by companies in the process of filling vacancies is probably

never voiced aloud. It occurs

when recruiters look at an

applicant and think to them-

selves: "How do I find out for

sure that this person can do

sible to know for sure in advance. Ludwig Wittgenstein pointed out that the only way to be certain that people who

say they can do something are

not lying, is for them to do it

as they are saying so.\* Even

then, the fact that they do

something once does not guarantee they can do it again.

Nonetheless, it is widely

accepted that one of the best

guides to competence is

whether a person has suc-

ceeded in doing something similar before. As a result, job applicants are likely to find

themselves confronted with

questionnaires delving deeper than academic achievements

into past activities.

The truth is that it is impos-

the job?"

Ms Liz Wallace, British Airways' graduate recruitment co-ordinator, suggests candidates compile a list of ques-tions for the interview. This could trigger lively discussion and ensure that questions already answered in the company literature are avoided.

dates to bring copies of their application forms to the interview for reference. She urges candidates to make sure they can justify achievements listed in applications.

Interviewers prefer candidates talking about small but independent achievements something where they dis-played initiative and dedica-

Applicants should be ready to discuss achievements, however trivial they may seem, openly and freely. "Many can-didates underestimate themselves," says Ms Wallace.

interviewed for the position of trainee account director at JWT, the advertising company. The applicant described how she searched London for a particular hat for a theatrical production in which she was

cation and three days of legwork. She found the hat and she got the job. Among her interviewers was

involved. The search sum-

Mr William Eccleshare, JWT's head of account managers. He prefers to meet a candidate who displays imagination. Candidates who want to get

ahead in advertising, says Mr Eccleshare, should not be dull. Even account directors do not have to wear pinstripe suits. Nothing puts off Mr Eccleshare more quickly than candidates who have researched magazines such as Campaign and who reel off the cost of big

Last year a woman was promotions in the industry over the past six months.

A candidate's demeanour and attitude are crucial. One of the most common mistakes is a laid-back approach. Candidates who appear laid-back may be considered too casual for the

Candidates should err on the side of formality, says the bank manager.

He suggests candidates should steer the interview round to their strengths. Many candidate has talked themselves out of a job.

"Know yourself," he said. "particularly if you tend to wit-

It might seem a basic tip but punctuality is also very important. A two-day assessment proved a waste of everybody's time when one candidate overslept and was late for one of his interviews.

PERSONALITY TESTS

make psychological assess-

traits which evidently make a

difference between good per-

formers and mediocre ones.

The analyses are used in

drawing up a prototype ques-tionnaire, which is then put through practical trials before

the final form is decided. The

reliability of the test has been found to be similar to that of

IQ tests - about 12 per cent

more accurate than could be explained by chance alone.

An oddity is that sometimes,

although a trait thrown up by the analysis is clearly linked statistically with success in a

job, the reason why it should

be so is an enigma. For exam-

ple, studies of pub landlords have shown that the good ones

tend to share a particular sort

# A question of competence

Mike Dixon discusses selection methods



One of the most popular selection tests of that kind is Biodata, used to sift through the initial applicants and iden-tify those who merit an interments of people doing the jobs and of their bosses. The assessview. They are sent the Biodata form which requires them and of their bosses. The assess-ments are analysed for detailed to answer 20 to 30 questions, A typical one might read:

When you play a game with family or friends, which of the following statements best describes your attitude?

A - I always play to win.

B - I play hard but don't

vorty about the result.

C — Winning is of no impor-

work has been put into deciding what to ask the applicants. Bach concern using the tech-nique has its own set of ques-tions designed to identify skills, abilities that could be developed into skills, and other personal attributes seen to be linked with success in similar work in the organisation.

Consultants licensed to apply the method go into the who, although in the bar, signals that he does not wish the caller to know it. The good landlord will be apt to tell the caller. "He says he isn't here," and hang up. But nobody

seems to know why.

Another comparable test jobseekers may meet is the "structured interview" developed by
the US-owned Selection Research consultancy. It hinges on the theory that peo-ple's capabilities can be divined from the detailed things they say. "Highly productive people in any line of work know something different, and talk differently, to mediocre or low producers, explains Dr Donald Clifton, the consultancy's chief, formerly a professor of psychology at the University of Nebraska

His words are backed by the fairly common experience of first doubting then coming to credit claims made by a party. "Do you know," they may well say to a friend later, never have believed the

woman in pink had climbed the Eiger, until she said that!" The structured interview method originates in searching discussions with groups of people demonstrably first-rate in a field of activity, and with others who are average.

The 100-plus fields covered so far range from teaching to ice-hockey playing. The discussions are analysed to pick out specific themes, called "com-monalities", mentioned recurrently by the most capable but not by the mediocre.

Commonalities linked with success in a field are then used in designing a set of some 80 interview questions which have been found to trigger mentions of the tell-tale themes by experts.

While the questions are put systematically to the people being interviewed, they are left to answer however they wish. Their replies are recorded and later examined to see how far the interviewee's revealed pat-terns of thought and feeling match those of acknowledged first-raters.

A further selection method rooted in a similar assumption "action-profiling". Its underpinning theory is that experts in an activity are character-ised, not by speech, but by particular ways of moving. Hence applicants for jobs are inter-viewed by a trained observer, who assesses whether their body movements are in line

with the relevant model. Devotees of action-profiling claim that it has one definite advantage over methods based on what people say, since the judgment is reached indepen-dently of any views expressed by candidates. And it is certainly true that one thing words can always be is liars.

The trouble is that so can actions or, indeed, anything else which an employer can observe before the recruit actually gets down to the job. \* The Brown Book, paragraph

KILLER QUESTIONS

#### When interviewers go for the jugular

Keep cool, says Emma Tucker

A HASTY straw poll among young working acquaintances, revealed that the most loathed interview question was "Where do you see yourself in five years from now?

"If I had been honest," said one person polled, "I would have told them I saw myself working for another company. Besides, how do you answer that question without sounding unbearably arrogant?"
But is it really such a dread-

ful thing to ask? Consider the fate of applicants to OC Sandler, a London-based management consultancy firm where Mr Adrian Darbishire, recruiting officer, asks what A-size paper you get if you stick together three sheets of A4.

Those calm enough to answer correctly - just under A2½ (the "just under" is important) - are awarded five

bonus points.
Mr Darbishire says he sticks to technical questions because, like most management consultants, he is not trained in interviewing techniques.

"I don't know of any management consultant who has been trained to interview people including me. So instead of asking character questions, I ask heavily factual ones," says Mr Darbishire. His point is valid While

companies are increasingly revising the way interviews and, indeed, overall selection are carried out, many still rely on out-dated interview questions that fail to uncover what is pertinent to the job.

The result is that, apart from

tricky technical questions, there are roughly three types of killer question that graduates should be on the look-out

The first type is the plain stupid question - when untrained interviewers seek to embarrass the applicant by asking questions like, "What would you do if I fell off my

chair and started foaming at the mouth?" "Stupid questions like that are sometimes asked by interviewers on ego trips who are abusing the power of the situation," says Dr Clive Fletcher, professor of psychology at Goldsmith's College, London,

"Those questions don't assess the ability of the candidate," he adds.

and author of How to Face the

The same can be said of questions such as "excite me", "interest me" or "sell yourself", unless perhaps the candidate is applying for a job as a

But as Professor Fletcher says: "Stupid questions are killers but they are also killers for the organisation.

"Candidates are more willing to accept job offers from trained interviewers than from untrained interviewers," he

In these days of increased competition for graduates com-panies are soon likely to wake up to the notion of the interview as a PR device.

The second type of killer question is perhaps more killer than others, and is also illegal "Are you thinking of having babies?" How does a woman or man come to that - answer the question without jeopardising her chances of getting the

"Interviewers are supposed to ask the same questions of every candidate," says the Equal Opportunities Commission. "Asking that question is discriminatory and we have won cases over it."

A suggested answer is: Not in the immediate future, but isn't that the answer you would expect to get anyway? Otherwise a woman should have no qualms about lying through her teeth and taking the matter up if and when she gets the job.

Even if an employer does not ask the habies question it might probe into other areas of personal life. An applicant who got through the first round of interviews with Unilever, was asked at a later interview

whether he had a giriffiend.

It was hard to see the relevance of this question to the job and the candidate was left wondering whether he was sus-pected of being gay. It later turned out that the interview was seeking elements of stability in what he considered to be the turbulent lifestyle of the

There are also the embarrassing killers that one can



only pray not to be asked, such as the reference to the blot on the CV question: Mr Brown, what did happen in 1982?" or "Ms Smith, why don't you say what class of degree you received?"

But the trickiest "killer" questions of all, and ones that you are more likely to come are the lethal questions. And here we come back to the "where do you see yourself in five years from now?" types.

"More often than not it is the simple things that candidates fall down on," says Professor Fletcher.

3 m -

There is no solution other than to prepare yourself. You will not be able to answer con-vincingly "What are your weak points?" or "Why do you want to work for us?" unless you have thought about the

Meanwhile, back at OC Sandler, Mr Darbishire is busy inventing new killers for next year's applicants. 'Tm thinking of asking, How many grammatical mistakes were there in your letter of application?". We received 60 CVs and only five were free of any obvious spelling or grammatical mistakes," he says.

answer.

So, before even contempiating those killer questions, per-haps you should look to your grammatical skills. Otherwise you might end up suffering the fate of a fellow FT journalist who was asked to spell came-tery when he applied to the Morley Observer and failed.

# Graduating to DC Gardner

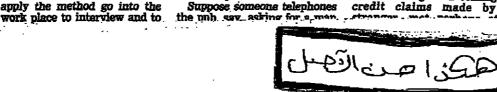
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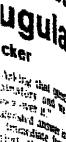
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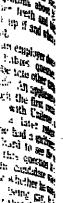
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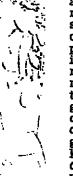


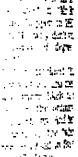








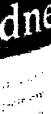


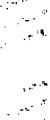




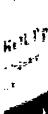


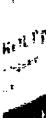


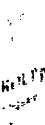


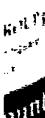


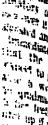


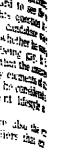


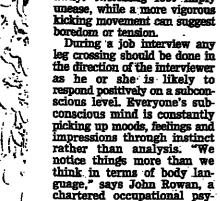








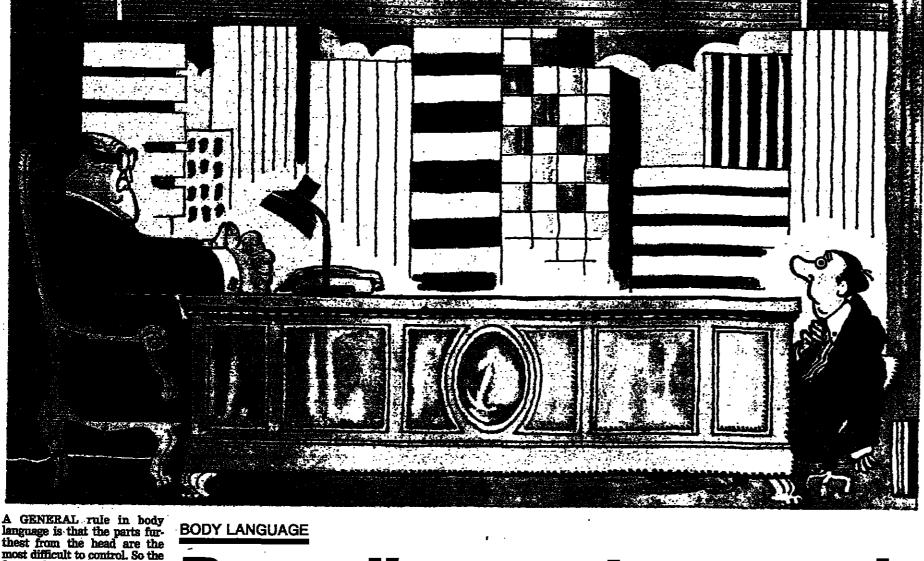




chartered occupational psy-chologist who runs body language workshops. "We just know that something is going on but we couldn't put it into words. It influences our behaviour and we are acting as if we understand it. Our little gestures that we're quite unconscious of are often copying the

feet tend to be the biggest give-away: twitching feet imply

other person's gestures."
An interview can be seen as a game in which there are obvious rules: the clothing



# Revealing gestures and postures

Within a split second of meeting, some sort of judgement will have been made and these initial impressions are crucial. The interview does not start when you are both sitting comfortably, but from the minute you lay eyes on each other.

Your handshake, the way you walk, your attitude in the chair, how you cross your legs, what you do with your hands, the speed at which you talk - all add up to body language which can be a reflection of conflict between what you really think and what you say. And when the interview is over and you are ready to depart, a glance at the eyes will tell all.

**Emily Carvill** interprets. must be suitable; the correct questions need to be asked and, most important, the right answers need to be to hand. So often candidates turn up with little or no knowledge of the company to which they have applied. And unless they have an answer to the age-old question. "Why do you want to work here?", they might as well forget it.

Although it is a game it is an out more about their defences unequal one, with the interviewer taking up the dominant position. He or she can set up the furniture in such a way that the candidate feels inferior from the start. A large desk between the two puts the interviewee at a disadvantage before a word has been uttered and encourages that person to be more defensive. "You find

but you don't find out more about them," says Mr Rowan.

Within a split second of meeting some sort of judgment will have been made - and these initial impressions can be difficult to shake off. The interview does not start when you are both sitting fairly comfortably, but from the minute you lay eyes on each other. "If you shuffle in looking discon-solate this will register long before the first word is uttered," says Mr Rowan. Body gestures can be a

reflection of conflict between what you really think and what you actually say. So it is helpful to realise what movements will give you away.

Handshakes are very telling.
Many people are blissfully
unaware that they shake
hands like a damp fish, when the firm, snappy variety will give a much more favourable impression. The moistness of the profferred hand will also be tell-tale: too moist implies nervousness - not necessarily a bad thing; too dry can suggest over-confidence - perhaps

more worrying. Eye contact also plays an important role: it is generally accepted that people who do not look others in the eye

be concealing something. However, it is important to remember that shyness tends to deter eye contact. But make too much eye contact and people end up staring - this unintentionally communicates aggres-

sion and can be unnerving. A natural reaction to an awkward or hostile question is prolonged eye contact with lit-tle blinking. Because this will be perceived as an aggressive form of defence, it is inadvisable. A good guideline is to glance away while talking and hold blinking eye contact when being addressed.

One thing to watch for, says Mr Rowan, is whether one has an open or closed posture. A closed posture is typically crossed arms and legs, suggesting nervousness, and acts as a guard against an anticipated attack. "If the interviewer has

a closed posture, then you want to open it. You do this through humour, eye contact or smiles. Or repeating the words that they have just used which indicates that you're talking that person's language in a very literal way," says Mr

Putting a hand to one's face can be a mistake because in body language-speak it suggests that one is lying. It's as if the brain is conveying "I shouldn't be saying this". A child will often automatically put a hand to the face when telling untruths but as people get older they tend to modify their behaviour by scratching the ear or nose instead. Adults are more aware that their body language gives them away so they try to make a conscious effort to control it but often

However, remember that som people scratch their nose sin

ply because it itches. A good ploy, says Mr Rowai is to speak at the same rate s the interviewer. "If you spea slower then he or she is goin to think you're a slacker and you speak faster it gives th impression of being too cleve by half. So you take your cu from the interviewer and spea at the same speed and do th same kind of hesitations an then the interviewer will reall

feel that you are one of us". It is important to remembe that interpretation of body sig nals varies from nation t nation. "People in the We: usually like standing two-am a-half feet apart whereas in th Middle East you stand abou six inches apart. If you can smell the garlic on their breat you're not standing nes enough," he says. And th amount of eye contact wi vary significantly between di

ferent cultures. Bear in mind that when pe ple look at someone they lik their pupils will dilate. So quick glance at the inte viewer's eyes as you leav could tell all.

**COSTLY HANGOVERS** 

# When positives add up to negatives

Emma Tucker discusses drug-testing in the selection process

DRUGS tests for new employees are fairly standard in the US among leading corpo-rations and there are signs that multinationals may start demanding urine samples for "urinalysis" in the UK as well.

This does not only have implications for the person who dabbles in drugs - who would anyway be well advised to live a month of abstinence before attending interviews but the innocent use of prescribed drugs for allments as minor as a cold could also leave damning traces in many of the tests used at present.

In Britain some companies are already screening prospective employees for traces of amphetamines, opiates, barbiturates, cannabis, cocaine and

if carried out correctly then the companies do not run into legal problems and if traces of drugs are detected, there is turning down an applicant. If a company does decide to weed out drug-users as part of its selection process, then legally it has to inform the

individual why the sample is being checked. The screening process is complicated and controversial. The chain from the bladder to the laboratory must be fail-safe; in the US official monitors, known as "collection site persons" watch over urinating

employees to prevent cheating. The system is also open to abuse in the scientific methods used to analyse samples. Test results need careful validation and interpretation because both false positives and false negatives can occur.

Medscreen, a UK company that tests for "aubstance abuse", initially carries out a primary screen for each of the drugs being checked. If the

nothing to stop them from result is negative then Medscreen gives the go-ahead. If there are positives, then the sample undergoes at least a secondary if not a tertiary screening. Medscreen says that problems with screening only really arise when untrained personnel carry out the tests

> It is possible, according to Medscreen, for large companies to buy equipment to carry out primary screening themselves. If it shows positive then the company may be tempted to take the safe way out and dis-

miss the applicant. However, according to Nicholas Cuthbert, a systems administration manager at Medscreen, there are several reasons why a test might show up positive even if the individ-ual has not been taking drugs. "Maybe the individual took a

particular form of headache

pill the night before which

could result in a positive primary screening. This is totally wrong," says Mr Cuthbert. Similarly, poppy seeds sprin-kled on a loaf of bread, can

show up as an opiate extract. Applicants could therefore be mistaken for heroin-users simply because they were unfortunate enough to eat a poppy-seed tain for breakfast.

There is no legislation at present in the UK regulating testing methods. The National Coulacil for Civil Liberties (NCCL) which opposes drug screening on privacy grounds says that the process ought to

be controlled. "If you are going to go into an area which encroaches on people's privacy that is to be justified, then it has to be controlled by statute," says Made-leine Colvin of the NCCL.

But even if methods were regulated, would screening serve a purpose anyway?

Of all the drugs, cannabis takes the longest to disappear from the body - a month. Alcohol, cocaine and opium disappear without trace in a matter of days.

Even if a drug is detected in a sample, this does not mean that the individual is impaired by drugs. Would it really be fair to refuse a job to someone who may have tried a "joint" three weeks previously and decided that it was not to their liking after all?

Routine drug screening has yet to become as widespread in Britain as it is in the US. So far it is mainly the large airlines and companies involved in sensitive areas such as British Nuclear Fuels that screen applicants.

Esso, the oil company, started testing all applicants for evidence of drugs or alcohol abuse two years ago as part of a comprehensive company pol-

icy on drugs.

If a graduate is going to be offered a job, Esso informs them that they have to undergo a medical which includes the screening. Esso says it adopted the policy because of the nature of its business.

"Hydrocarbons are dangerous substances and from a business point of view we have employees making decisions on an awful lot of money," said a spokesman. So screening makes sense from a public safety and business point of

After the initial screening, random tests are carried out only on people in key positions members of the board, operations managers - and on people who operate machinery such as tanker drivers and people on refineries.

At British Airways there is voluntary screening for appli-cants who will end up in the cockpit.

BA said that anyone who refused the test would be viewed with suspicion but that in the past four years no one had refused and no one had tested positive for drugs.

Clearly the widespread screening experienced in the US has yet to catch on in the UK. If and when it does, perhaps it will be for different reasons; as one senior management consultant said, the only reason why his company would screen for drugs, would be to make sure applicants were classy enough to take



find it remarkably difficult to

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**SELECTION PROCEDURES** 

# **Testing time for** candidates

lohn Thornhill looks at how employers assess applicants

TM NOT afraid of dying, it's last I don't want to be there when it happens," Woody illen once said. Many people eel the same way about imployers selection tests: in neory they are something that ast happen to us all but in ractice they can inspire some-

hing akin to terror. It need not be so. For a start, an employer asks you to ttend an assessment centre it neans you have survived the urst stage of the selection pross – a cause for self-congratlation - and that the mployer wants to find out nore about you. It also gives ou the opportunity to find out nore about the employer. Employers' selection tests

ary enormously from a single atended interview with senior ersonnel to rigorous assessnent courses stuffed with writen tests, group discussions nd interviews.

It is becoming increasingly ommon, especially among arger organisations, to rrange such full-blown prorammes, often at their own ssessment centres.

Typically, these courses start ith an informal evening meal rith some of the company's oung managers. This will give ou a chance to find out somening about the employer from different perspective. Make ne most of it. Information that you can pick up about the employer's attitudes and ethos will serve you well in any forthcoming interviews. It will also help to determine whether you want to work for the company. Do you really want to be like these managers in a couple of years' time?

The following morning will probably begin with a written test. This may be an intelligence test or, as is becoming increasingly common, a multiple-choice psychometric test. The questions may be weird - would you prefer to be executed by guillotine or the gallows? asks one - but such tests are used to sketch a personality profile. Are you pri-marily an emotional, rational, analytical or artistic kind of

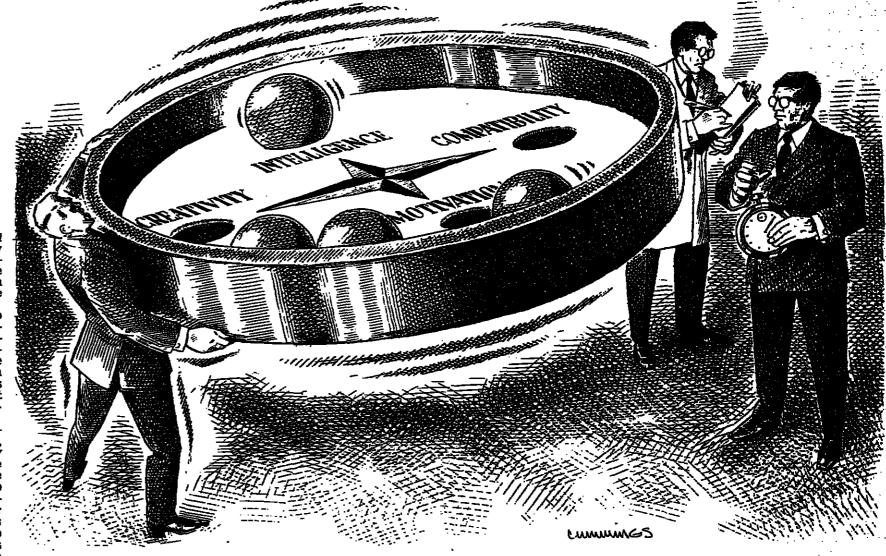
These tests are followed by a series of group exercises, maybe a case study of an employer's business dilemma or a discussion about a contentious issue. Such tests can be intimidating. Candidates sit around a table conducting a contrived debate while assessors eagerly scrutinise them occasionally scribbling notes on a clipboard.

But do not be afraid of speaking up no matter how impressive or articulate your fellow candidates are. One psychologist who sits on several selection panels advises: "Students should not be frightened of being themselves. They should also not feel intimidated by others. While some people may have strength in one area others will have strengths in different areas." The assessment day is also

likely to contain several interviews. Unlike the first interviews, these can be wide-ranging in scope and may not be just a simple route march through your CV. Managers may ask your opinions about news events or test your knowledge of their company.

Outside assessors, often psy-chologists or social scientists, also conduct interviews. They are not trying to deduce whether you are an unstable psychopath but are there to elp counter any unacknowledged prejudices the other assessors may have towards particular candidates and to understand the candidate's perspective. They will ask applicants to express any dis-comfort they felt about other interviews.

"We want to know if the candidates feel they have projected themselves during the day, if anything has made them behave untypically in any way. Something may have happened outside or a group could prove to be too competi tive for them or not competitive enough. We are not really



personal problems except where there is obvious disone psychologist says.

"Applicants from minority groups sometimes feel themselves to be at a disadvantage and they may well be at a disadvantage. Each selection group is necessarily a competi-tive place and there can be scape-goating of an individ-

trying to assess any kind of ual," he says. Scape-goating can result from differences in gender, social background or from different regional or ethnic origins. For example, a woman from a northern working class family may well feel uneasy with a group of southern men from profes-sional families. "People are silent because they are ner-

vous about talking in public or

because they are just waiting to contribute. We tell the selectors why they are acting in a particular way or why they are

Every organisation looks for different skills. But one multinational company, which is probably not uncommon. defines what it is looking for as follows;

■ Motivation and an interest

in solving commercial prob-

■ A capacity for working in a group environment and being able to think organisationally: ■ An ability to apply a good level of intelligence to management problems;

■ Creativity and the capacity to think up original solutions. These may all seem rather general goals and indeed they are. The selectors are not looking to measure individuals against a defined set of standards but are trying to form a general impression of personal-

ities, interests and abilities. "My main advice is to act naturally but at the same time to get involved as much as pos-sible in the debates. Just try to demonstrate who you are, says the psychologist.

■ "Dramatic" concerns are

ruled by an all-powerful chief,

frequently an entrepreneur,

who is not only decisive but

can do no wrong. Because

executives are chosen for their

ability to answer "yes" at all times, middle management

does not bother to pass

upwards any developments which might interrupt the

hoss's flair for business. Its

duties are to act instantly on decisions handed down, and to be a cheerleader for the bold,

expansive and charismatic

chief. When the chief eventu-

ally succumbs to human frail-

ties, the organisation's domi-

nant mania is likely to change

to the depressive variety over-

It does not require much

research to identify these five

types of neurotic organisation

in our society. On no account

should you be tempted to join

them with the idea that it

might be a challenge trying to

sort them out and set them on

a saner path. "Rational solu-

tions work only with rational

people," the researchers point

out, and neurotics are not

Bearing in mind that all of us are a little mad, the best

idea is to search out an organi-

ITHE best job opportunities may not always e on your doorstep. In fact, they may not ven lie in your own country.

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to cast their employment net more widely. The following is a list of Europe's top 100

for you in the mad, mad world outside the relatively sane cloisters of your university or polytechnic is a host of employers suffering from a variety of neurotic disorders. them and, if possible, to avoid

> of detecting organisational mania or, for that matter, maniacs. Drs Manfred Kets de Vries and Danny Miller published a guide some years ago, and their findings still hold true today. Although they teach management in international business schools, both have deep interests in psychoanalysis.

relief to know that the two authors have not so far discovered any employers beset by psychosis. On the other hand, organisational neuroses are so widespread that there is little chance of finding a fully sane

highly varied neuroses spread among individual managers, accumulated insanity should not add up to success.

It is when power is held by a single nutcase, or by a caucus of executives in the same mental mould, that prospective employees have to beware. The types which are easily recognisable. authors have pinpointed five

■ The "paranoid" organisation is usually run by a clique of executives convinced that everyone is out to get them. They tend to board power at the top by instituting systems of vigilance and control over subordinates. They distrust each other and have a deep

Your task will be to identify

Fortunately, there are ways

It will no doubt come as a their studies revealed that

Provided the collective mania consists of a mixture of there seems no reason why the



Waiting in the mad, mad world are employers suffering from a variety of neurotic disorders

ORGANISATIONAL MANIAS

# Symptoms of madness

Corinna Bold helps you to recognise sane employers

suspicion of their underlings. They are even more distrustful of outsiders, and work well together to see that their company detects and counters suspicious moves not just by competitors, but by customers. ■ Detailed controls over staff. and minutely specified planning, are the marks of "compulsive" organisations, which are obsessed with ruling out all possibilities of surprise. The powers and rewards of employees are determined by the posi-

tion in the pecking order, and

their actions are strictly con-

trolled. These organisations

perform well so long as the market remains the same. However, because they stifle initiative they could be caught out by the emergence of new technology in their sphere of

operation. ■ The "depressive" organisation is likely to be hit even more by change, because its executives have surrendered their initiative to the company system. Precedent is their ruling passion, and they label as stupid any suggestion of improving efficiency in the operating procedures. What ingenuity the executives possess is devoted largely to political machination. Governmental and other bureaucracies which do not have to please customers are prime examples. ■ The top management in 'schizoid" organisations stands aloof from the everyday running of affairs. The result is the development of a second tier of executives who compete with each other to catch the

to be sudden changes of direc-

tion which prevent any consist-

ent development.

ear of the chiefs. Because the political ascendancy often swaps hands, there are likely

sation with a management structure that suggests a balanced mix of daftness. Certainly, such a concern is most likely to provide the necessary stimulation and challenge every reasonably normal individual requires. Whatever your final choice, it may be some consolation to know that, after six months.

almost every employee comes round to believing that management is as nutty as a fruit-

\* The Neurotic Organisation. Jossey-Bass Publishers, 1984.

PAY NEGOTIATION

#### Package your skills to suit your case

Although companies claim starting salaries are set in stone, John Thornhill picks out the exceptions

NEARLY all companies say their graduate starting salaries are set in stone. In many cases they are not, but it might well take a good deal of effort to chisel out a better deal.

For most students, however, starting salaries do not seem to be the vital factor in deciding on a future career and they may not mind the odd hundred pounds here or there. After all almost any salary sounds good after struggling through col-lege on a measly student grant. A survey by Aisec, the inter-

national student organisation, showed that pay was not high on the list of priorities for UK students, ranking behind such factors as the meaningfulness of work, opportunities for promotion and training, and job satisfaction.

But for some graduates pay es matter a great deal. Many older students, for example, who may have worked before obtaining their degree resent being lumped together with other younger entrants who have no work experience. How should they go about arguing for a higher starting salary? It often boils down to how

you package your abilities and

work experience it will help your cause if you can link the knowledge and skills you have gained to the particular job for which you have been selected. A couple of months labour-

ing as a shelf-filler at the local off-licence may not be the most powerful experience to justify higher pay. But a year spent working abroad and improving your language skills may bolster your case. The secret is always to make the work experience appear as relevant and useful as possible to the

Similarly, those with post-graduate qualifications will be in a stronger position to haggle for higher pay if they can sug-gest how their additional skills may enhance their usefulness. But someone who has spent seven years completing a doctorate on pewter manufactur-ing in 14th Century Bohemia can probably not expect their qualification to carry as much weight as a post-graduate degree in aeronautical engineering when applying to Brit-

ish Aerospace. Professional qualifications are another obvious advantage. For example, one drinks com-

حكذا حن النَّهم

had successfully argued for a higher starting salary this year because she had an additional qualification from the Institute of Personnel Management which would be of use in the

job she was going to do.

Another tactic that can be adopted once a job offer is secure is to let the potential employer know that you are considering offers from rival employers. It helps, of course, if this is true. Many employers become quite irrationally pos-sessive of candidates to whom they have made offers, espe-cially if they know a competitor down the road might

But it would be senseless to press the pay issue to the point of souring a company's attitude before you even start working for them. A better tactic would be to register your disappointment but make sure that your work for them demonstrates your greater maturity/knowledge/skill and justifies a higher reward.

Many companies stress that although they offer rigid starting salaries they are far more flexible about pay later on and take arrount of emeri-



**ACTION PLAN** 

# Searching inquiry

John Thornhill on how to create your own chances

IT IS a strange fact of life that many of the best jobs are never advertised, especially in some of the more exotic and interesting fields. If you stop to think about it, when did you last see an advertisement for a trainee

millionaire or go go dancer? Smaller companies, in particplar, often cannot afford the time and expense to stage presentations to 80 universities and polytechnics and therefore fill their vacancies through informal networks of contacts and recommendations. But it is often in these smaller companies that many of the more interesting opportunities lie.
Small publishing companies.

design agencies, management consultancies and pressure groups can offer far more vared and interesting careers than their bigger competitors but many do not have the resources to spread their recruitment net wide.

Meanwhile, some larger organisations have the opposite problem: a surfeit of applications. The BBC is flooded with thousands of applications for a handful of trainee production jobs. But there are many other points of entry to the BBC, few of which are known to the outsider and which the thundering herd avoid.

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The only way to find out about these jobs is to become an insider and to tap these networks. This is often difficult to do but the effort invariably produces results.

The primary need is to know what you want and be deter-

- a job that is interesting,

as an associate producer for

the Royal Shakespeare Company at the Barbican in Lon-

Consequently there was

much less of a vocational

thrust. "Now they have a

keener sense of having to

direct themselves to a voca-

Students now must find

ways to combine pure subjects

with the learning of skills.

"People don't have the luxury

phy and sociology at the Uni-

versity of York with no particular career in mind. With her

degree in hand, she decided to

study for a diploma of educa-

tion but packed it in after a

At first, she did not use her

degree to help her find a job.

Nor did she seek a particular

vocation or realise quite where

Her first job was working for the York festival. Later she

tried to adapt her studies to a

career in publishing, but after two years decided the theatre

was where she wanted to be.

and sociology had not provided

tom working as a secretary at

a theatrical agency.

She quickly learned the

mechanics of the trade and

became accustomed to working

finally decided on the job she

wanted - the casting director

of the Royal Shakespeare Com-

During those two years she

with actors.

pany.

a vocational base for Ms McIntosh, so she started at the bot-

Subjects such as philosophy

her ambitions lav.

Ms McIntosh studied philoso-

to pick and choose as we did."

Since March, she has worked

glamorous and never dull.

Her tertiary training was not in the area of arts administra-

tion. That was possible, says

Ms McIntosh, because she

ranks at a time when the pros-

pects of a satisfying job were

much brighter for aspiring

graduates.

"The difference is that peo-

ple at university 20 years ago never had to think there would

not be a 100 101 t

made her way through the

mined to achieve it. If your heart is set on going into pub-fishing then it is surely possible to do so and no one should discourage you from trying. But there are many small publishing companies which are difficult to find out about and it might require a lot of effort and heartache to succeed.

Creating your own chances in the careers market will be greatly helped if you have a plan of action. It may go something like this:

First, identify target compa nies and individuals. If you want to go into publishing then find the addresses of as many companies in the field you are interested in and note the names of individuals in those organisations. Careers offices will be a valuable first port of call while public or specialist libraries may well contain more detailed information. ■ Second, find out all you can about those organisations. Careers offices are often useful and can provide published information about companies as well as their own literature. If you are lucky the careers service files may also contain the names of people from your college who have gone to work for these companies, how an offer was made to them and their views on their jobs. Call these people for advice. At best, they may be able to tell you about a vacancy; at least they should be able to offer practical advice on what steps you can take, Third, using the knowledge

you have gleaned about individuals and companies from your library searches, and by using contacts friends and family have provided, write to everyone you think might be able to help. This may involve dozens of letters and will inevitably consume a great deal of time. For this reason, you might consider it safer to delay your search until after your finals although a few selected letters earlier in the year may

well pay dividends later.

The letters should be clear

and concise and should include a CV and your purpose in writing. Ask if they have any suitable vacancies and, if not, whether they expect to have any in the future. Also ask if they would be prepared to see you anyway to discuss opportunities in your chosen field and to seek their advice. Fourth, follow up these letters with a phone call. Many of your letters will remain unanswered and subsequent phone calls may just receive a brush-off. But with enough persistence, you will almost certainly strike it lucky somewhere. Once you are through to the person concerned, remind them of your letter and ask if you can arrange a time to see them. Stress that you are not asking for a formal interview but just a chat to discuss your interests and to learn more about their organi-

sation. This can be easily done

over a sandwich at lunchtime.

Fifth, prepare well for any

meetings you may have suc-



ceeded in arranging. Read everything you can find on the company you are visiting and the field in which they operate. Read the relevant trade journals, if you can get hold of them, or general newspapers including, of course, the Financial Times to find out industrial trends or recent points of interest. Brim over with enthusiasm at the meeting and even if they are unable to help you themselves ask if they know

anyone who can. ■ Sixth, follow up any meetings by writing a letter thank-ing your contact for taking the time to see you, gently remind-ing them of anything they promised to do or people they said they would get in touch with, and asking them to keep your details on file in case any

suitable vacancies arise in the future.

This whole process may seem alarming. After years of being sheltered from the harshest winds of the market place in various educational establishments, it can come as a great shock to have to go out and fight for what you want. It can be a nasty surprise to realise that as well as being a warm and cuddly human being you are also a commodity that has to be packaged and mar-

keted like any other product. Those who want a less precarious entry into the "real" world should perhaps opt for a safer option on the annual "milk round" of companies that ply their wares on college campuses. But those willing to take a risk in the open market

can often reap great rewards and land that ideal job. It will probably not be easy, and at times it will be dispiriting when you receive your ninth rejection letter or meet with a total lack of interest you may well wish you had accepted that job offer from the North West Thames gas board - but the effort will almost certainly be worthwhile. If nothing else you will learn a great deal about how the job market works; and a great deal about

One source of unfailing comfort is the American book What Colour is Your Parachute? by Richard Nelson Bolles. With 4m copies sold it has helped many people find or change jobs. It is published by Ten Speed Press. Old school tie and all that . . .

MOST PEOPLE choose a career and then find themselves bored out of their minds. They loathe Monday mornings, hail Friday evenings, live only during the weekend and are dead five days a week. It's no way to exist.

The problem is, of course, that those really interesting jobs - the ones that are so good you don't equate what arrives in your bank account each month with what you do during the day - are all too seldom advertised.

If the world was a fair place iobs would be awarded according to qualifications, and advancement would be dependent upon talent and ability.

But being fair costs money. A company wanting to cast a wide net in an effort to provide equal opportunities for graduates from all colleges and universities, soon finds that meritocracy does not come cheap. The cost of processing the thousands of applications that the BBC or British Airways receives is beyond the means of most companies, It is also a waste of resources if the organisation has only a couple of vacancies. Quite simply, a fair proportion of personnel managers - and particularly those in desirable sectors - decide it is simply not cost effective to advertise.

Instead, they use more informal methods of recruitment. Much of this informal job-filling is through what the author Tim Heald has defined as net-

In the UK, the most notorious network, is, of course, the

public school old-boy network. However, there are plenty of other networks offering the possibility of advancement. These range from the officers and non-commissioned officers of the Scots Guards to former inmates of Wormwood Scrubs; from the extensive but exclusive coterie of feminist historians to the Oxbridge Mafia.

For those looking from the outside, such networks can appear exclusive and intimidating. Nevertheless, it is not as impossible to penetrate them as might be thought. Indeed, it is quite possible to create your own network of contacts.

At its worst, the creation of such private networks by students is known campus wide as hacking. The hack is a common enough sight: putative journalists spend their time running student publications and interviewing famous Fleet Street editors who might find them a job later; potential management consultants use their term times to visit factories with the Industrial Society and their holidays to do vacation work with leading businesses; and aspiring actors and directors put on three plays a term and visit the Edinburgh Festival to meet the right peo-

We've all sneered at them. But once the sick bags have been put to one side, it must be admitted that hacking can be an extremely effective method of entering attractive careers with few opportunities and an excess supply of candidates.

When you meet contacts, Tim Heald in his book Networks\* gives five cardinal rules: be useful, don't be boring, listen, ask questions and don't make assumptions. \* Networks by Tim Heald. Lon-

Paul Abrahams

in April GENISTA McIntosh has PROFILE: Genista McIntosh managed to find something that many people would like

# Sheer bravado paid off

A woman in theatre management



Genista McIntosh: acquired her skills in situ

Coincidentally, the position was advertised, and out of sheer bravado" Ms McIntosh applied. Apparently the recruiter - nowadays it would be a panel - did not think her application was so very outra-

geous and her bravado paid off. Ms McIntosh was required to acquire her skills in situ. In a most un-modern way she developed her management skills by organic rather than inventive principles, inductive

rather than deductive. That was back in the days when vocational management had not got off the ground.

Now there are relevent arts management courses (see Section 2: the A-Z of career opportunities) at many universities and masses of people with those qualifications are coming on to a narrowing market where government funding is shrinking. The curtains are soon to

close on Ms McIntosh's career at the RSC. This month she takes up an appointment as executive director of the Royal National Theatre, and will work under Richard Eyre, the director of the theatre. Her move coincides with the closure of the RSC theatres at the Barbican until next year.

Ms McIntosh is the most senior woman in theatre man agement in the UK. She is not unaware of her responsibilities to women: "I feel one must accept that to be a woman in a position of responsibility, one must encourage and make way for women.' However, some women may

be let down by their own failure to aspire, she said - like many successful people, Ms McIntosh puts store in people recognising opportunities when they arise.

Her new duties will include responsibility for and oversee-ing of formal management and finance; and fund-raising including catering and publishing, marketing and press relations, touring, research and so

Her agenda will include several meetings a day. However, the nub of the job will be pro-duction and deciding on the repertoire, as well as the management of people in a volatile environment. The turnover is in the vicinity of £20m.

Little wonder Ms McIntosh is never bored with her work. She seems to thrive on her contact with actors and the many other creative people in the theatre and - perhaps most pleasantly - she has the opportunity to see a lot of thea-

Marian Edmunds

IF WHAT you are looking for

like to do that too.

taking the initiative. There is the old chicken-and-

means no experience and no experience means no work". It has shown me how important work experience has become. Companies may seem daunting from the outside, but inside everyone is generally overworked and happy to have some bright young spark come in and help them. I have done several unpaid placements which have forced me to waitress in the evenings. Nevertheless, the pay-off is substantial. Although I am by no means a professional I am better equipped than someone who has only enthusiasm to recommend them.

During my spare time in the US I also volunteered at a local and lighting.

exploring.

Targeting potential employers has been an obstacle course in itself. Personal contacts are fruitful. While they rarely get you a job they do allow you to get your foot in the door. After that it is up to you to present

The Careers Advice Service at the London School of Economics where I studied international relations was next to useless for my field. Instead, I went to the Central London Reference Library for information on independent production companies. I waded through an index of producers, looking for company profiles

Once I had a list of 40 poten-

PERSONAL EXPERIENCE

#### Perseverance breeds heartache

Joanna Olsen describes the frustrations of looking for a non-traditional job

is a non-traditional job, then the traditional milk round is absolutely not for you. I ought to know. I have been job-hunting for three months without I am determined to find a job

as a researcher for television documentaries, and there are many other people who would Like many other "alterna-

tive" jobs that demand creativity and self-expression there is no direct career path to follow. Learning to promote myself and refusing to compromise in spite of the hiccups requires stamina. However, it is possible to make things happen by

egg syndrome of "no work

After a boring day doing a summer job in a bookshop in Detroit, where my parents live, I decided never to waste my holiday again. Instead, I telephoned the local television stations asking about their training schemes and then wrote off applications. I was accepted as an unpaid apprentice to the producers at PBS, the prestigious American Public Broadcasting system. This has proved to be invaluable experience and the deciding factor whether or not employers have taken an interest in me. I had the advantage of living in Detroit so the practical side was easy to arrange. However, similar schemes also exist in the UK for young people who want to try out different professions. It is a route worth

cable station. This gave me the chance to get hands-on technical experience in camera work

your credentials.

which suited my interests.



to 20. That way I found out exactly who to write to. Getting the CV to the relevant company and the correct person is half the battle.

Promoting myself has been a definite learning process. The art of writing a clear CV and an inspiring covering letter takes time and patience. A good trick is to print the CV on coloured paper so that you immediately stand out visually from the crowd. Following up letters with telephone calls or impromptu visits is also essential. The iob hunt seems to be a test of my endurance to see if I am keen enough to deserve a break.

The major obstacle is always getting past the secretary. It has been a soul-destroying task; like the time I was curtly told not to bother calling again. The usual response is a bland assurance that my details are on file. I can just imagine them lying in the bin!

Out of the 20 companies I contacted two have invited me for interviews and would like to work with me. Unfortunately, that will be only when they gain the financial backing for their projects. In the meantime, I must keep my nerve.

I have uncovered new companies to badger and I must maintain the pressure on the previous ones. Until I get my first break there are many projects on which I can be working. For example, placements, freelance articles, developing are unemployed is someone who is not motivated.

Finally, I must continue to monitor the press for opportunities. Despite the massive response usually drawn to advertised jobs I have been short-listed for one. This has given me some encouragement to continue answering them.

In the end finals are just the prelude to something altogether bigger. Deciding where to orient yourself takes initiative, creativity and hard work. This holds true for all "alternative" jobs. Fortunately, the dividends of a fulfilling career justify the determination and



PROFILE: Tony Galvin

#### Proof that there is life after football

Marian Edmunds meets a footballer preparing for a career in leisure management caps for Ireland, and played in

SWINDON TOWN winger Tony Galvin is proof that there is life after football. And, equally important, that a career in sport is not a dead end.

He is now preparing for a career in leisure management where he will be able to apply his football experience and his academic qualifications.

Mr Galvin did not feel ready to decided on a career when he finished school, and university seemed a good means of postponing that decision.

Influenced by a school trip to the Soviet Union, Mr Galvin took up Russian studies at Hull University including language, literature, philosophy and poli-

He had played cricket for Yorkshire schoolboys, and football at school and university level, and was approached to play for the non-league chib of

This provided a level of foothall not far removed from the standards of the Fourth Division. It also provided Mr Galvin with a little spending money with which to supplement a university grant - and meant that unlike many students, he did not need an over-

Various talent-spotters were watching his game, among them Tottenham Hotspur at a time when the ciub was in the second division.

After he completed his studies, Spurs signed up Mr Galvin, one of the first players to be plucked from non-league ranks to a club in a high division. It also enabled him to again postpone his decision on

a "proper job". Nevertheless, he believes there are plenty of advantages in what he did do. Mr Galvin



Tony Galvin

moving to Sheffield Wednesday. He has visited various eastern European countries, Japan, Australia and Hong

At Sheffield he started an MA in leisure management, continuing after his move to Swindon where he joined man-ager Osvaldo Ardiles, who had earned his respect as a teammate at Tottenham Hotspur. This season is Mr Galvin's last, and during it he must complete a dissertation for his degree. The course included financing, marketing and resource management with a leisure bias.

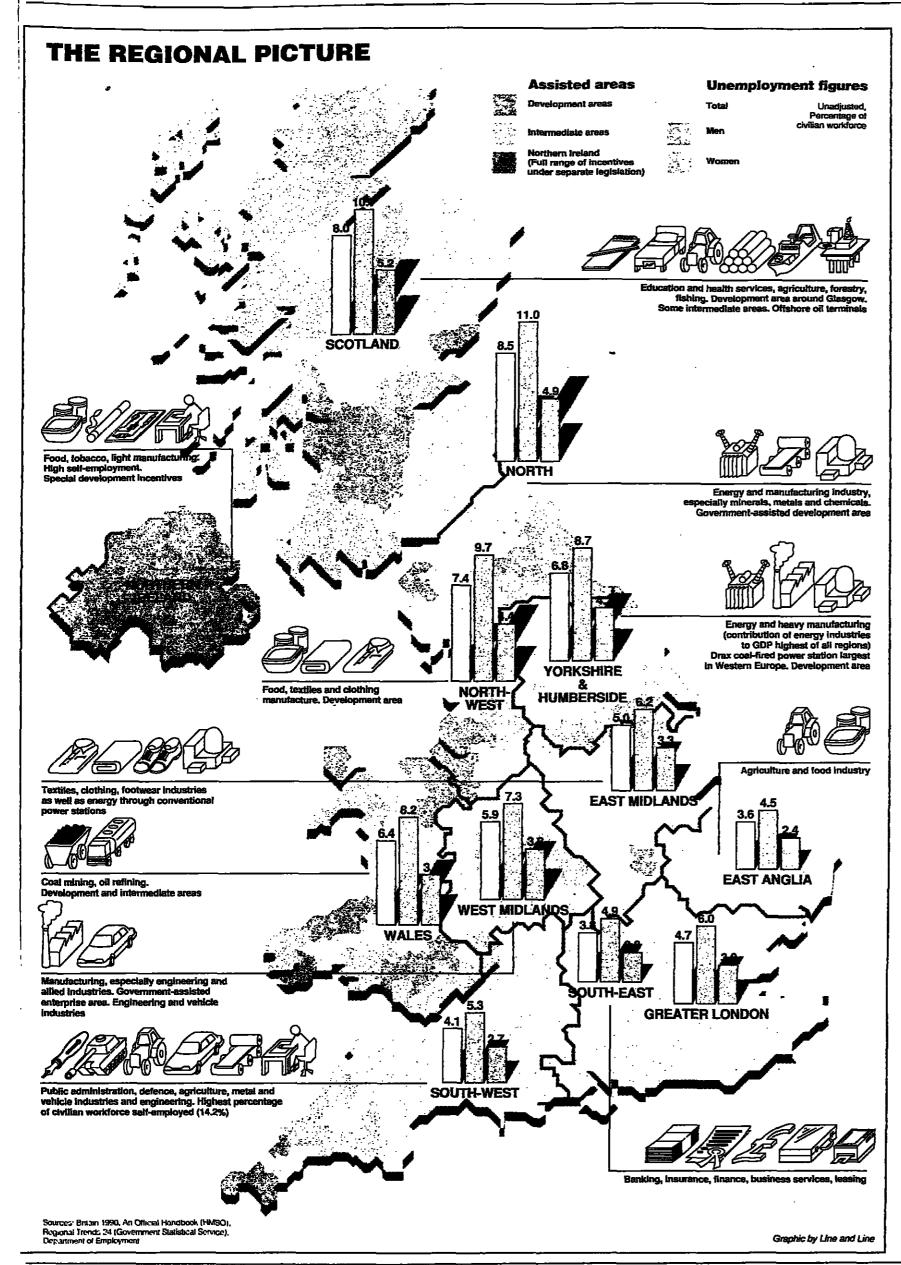
the 1988 World Cup.

his willingness to work hard rather than intelligence or any particularly talent. Mr Galvin regards himself as quite fortunate that he can look forward to a second career after football, although he

speculates that potential

employees might be dismissive

He attributes his success to



THE NORTH

# The action is moving up-country

FINANCIAL TIMES WEDITLOUAT TO

The northwards trickle has swollen, writes lan Hamilton Fazey

AN INTERESTING change occurred this year in the composition of students taking up places at the University of Man-chester Institute of Science and Technology (Umist): there was a 30 per cent leap in the propor-tion coming from London and

the south-east. Previously, only a fifth of Umist's students were southerners, but if the change continues they will soon comprise more than a quarter of the stu-

dent body. With other universities and colleges in the north also reporting increases in applications from southerners, there will almost certainly be a knock-on effect in graduate employment markets during

Northern employers have long faced problems in getting enough graduates. The buoyant economy of London and the south-east has been a magnet, with a combination of labour shortages and highly paid jobs for qualified people at an early

The north, with its image to many of depression and high unemployment, and its struggle to achieve industrial reconstruction, has had difficulty in competing. At the same time, many northern graduates have felt they had to go to London for real career advancement and there was some justification for this during the early and mid-1980s.

Graduates willing to work in the north have usually shared one of two characteristics: either they were born in the north, or they went to university or polytechnic there.

Both groups know the difference between image and reality. Many of those with experience of the less attractive aspects of London life - such as commuting, the difficulties faced by first-time house buyers and the financial straitiacket of high interest rates combined with large mortgages - do not want to work there.

But it's not just negative factors which are at work. Professor Harold Hankins,

Umist's principal, says of the surge in southern applicants: "The word seems to be spreading that Manchester offers a good social life at half the cost of London, plus easy access to pleasant countryside and several national parks."

Manchester probably scores with Londoners over other northern cities because of its size. With a conurbation of 2.5m people, it supports a large and lively city centre.

However, Liverpool, at the heart of the 15m strong Merseyside conurbation, is similarly a 24-hour city; and Leeds, although it shuts up shop earlier, is still large enough to support an increasingly flourishing Another message is also becoming clear; northern industry and commerce has reconstructed itself and there are substantial opportunities for

young, qualified people.

The present downturn in the south has not been mirrored in the north, especially in the M62 corridor between the M6 and the A1 in the counties of Greater Manchester and West Yorkshire. Successive quarterly surveys by chambers of commerce have indicated an emergent, transpennine regional economy, with thousands of

successful companies.

Because this market is big enough for them to trade substantially among themselves, only the larger companies, with significant proportions of business in southern markets, have been feeling the draught.

Another change is also under way: there is a substantial movement back to closer links between industry and the universities, polytechnics and col-

Professor Hankins says that many institutions lost their way in the 1960s and 1970s because, while successive governments pressed them to push up numbers of student places so as to widen access, there was only enough money to expand arts and humanities places. which are cheaper than those for the sciences. This diminution of direct rel

evance to industrial needs did not help links between industry and education. Faced with a harsher economic climate, and having to foster relevance in order to sell their services and earn their keep, the universities, polytechnics and colleges have been changing.

Several leading companies, based in the north but operating nationally or wider, have endowed chairs or funded important facilities. Amec, the construction company, and British Nuclear Fuels are examples. They have respectively ensured the academic development of project management and chemical engineering at

There are many other such benefactors, both at Umist and elsewhere. Such links also guarantee student placements for industrial experience, and these in turn are likely to lead to jobs after graduation. This will almost certainly have an increasing impact on graduate recruitment

Professor Roland Smith, chairman of British Aerospace. says that industry is also facing up to a fundamental question. "Are we using our graduates properly? There have been antagonisms in the past between what we wanted and what they had to offer," he

The moral for job-seeking graduates is probably to look for companies which are devel-oping better links with univer-sities. These are more likely to know what they want and understand how to match what graduates can offer as well as offering long-term training and

career development. The north has plenty. The long established but reorgan-ised Simon Engineering, which is based in Stockport but has a national and international spread of business, is typical of

the new outlook. The north is not all about big companies. Both Manchester and Leeds, for example, are characterised by a wide spread of quoted companies in ten main sectors. These are general industrial, building, engineering, textiles, food, electricals, chemicals, retail, leisure and

property. However, the 230 or so listed companies headquartered in the north as a whole are only the tip of the industrial and commercial iceberg. The Manchester-based Henry Cooke financial services group estimates there are ten times more privately owned businesses, most of them medium-sized mainly along the M62.

Many are old-established fam-ily businesses which have survived the reconstruction of northern industry by changing well for the better, but others are new and growing. Most report continuing difficulties in finding managerial and professional staff when surveyed each quarter by their local chamber of commerce.

(Chamber research depart-ments are likely to be good sources of information about who job-seekers might write to outside the obvious, bis compa-

At the same time, the finance and professional services sector has grown considerably in Manchester and Leeds, making the north self-sufficient in these fields as far as industry and commerce is concerned.

As Mr Peter Folkman, a Manchester venture capitalist, sees it, this is a form of regional import substitution, pulling work north that was previously done in London. The trend is

growing fast. A trickle of professionals leaving London for the north has swollen into a stream in the last couple of years, while going to London for experience is no longer seen as a necessary career step for people who start in the north.

Study of the north's changing economic structure, as chroni-cled year by year in the FT through its regional surveys programme and news coverage. will reward any job-seeking undergraduate making the

WALES

#### Too small a pond for many would-be big fish

The country labours with its image, writes Anthony Moreton

THE problem for job hunters in Wales is the small number of big employers in the country. For every company such as AB Electronics, the steel concern ASW, BP Chemicals or British Steel that employs in thousands, there are thousands that employ in tens.

The larger companies take on large numbers of graduates each year. Mr Edwin Merrette, managing director of AB Electronics, based 15 miles north of Cardiff, says: "We undertake a survey of our operations to see what our needs will be over the next three to four years and our graduate recruitment programme evolves out of that

"This year we have taken on about 20 graduates and they will spend two years going through various companies and functions within the group. They also get a chance to work in our plants in either West Germany or Austria. Each has a "base" company to which he or she is allocated and to which the trainee is likely to return at the end of the training period.

"If we, or they, find another part of the group would be of more value to the trainee, then we endeavour to fit them into that slot." Graduates at AB Electronics

join the company, which has some 5,200 staff around the world, at between £10,500 and £12,500, and by the age of 30 could be in the £25,000 to £30,000 bracket. Mr Merrette says the company recruits a staff the highest paid dis

intake, even though the pro-portion applying to the company is lower.

Unfortunately for those seeking jobs in Wales, there are too few companies of the size of AB Electronics. Dr David Treharne, director of the careers advisory service at University College, Swansea, says the average salary a graduate might expect in the principality on appointment is between £10,500 and £11,000, slightly more than last year. "But the small local employer may not offer much more than £8,500, and there are a lot more of these than there are big companies. Smaller companies tend to take fewer people, perhaps just one or two, and pay them less, and this depresses what a graduate might expect, or hope, to get."

Salary levels also go down west of Cardiff, he says. The "big money" in Wales is to be earned within a short radius of the Welsh capital, with rates falling the further west and north the company is situated. This is a reflection of pay levels within Welsh industry as a whole, which tend to be much lower than elsewhere in southern England. A recent report by a management consultancy indicated that top executives in Wales receive the lowest salaries of any part of

England and Wales. Even the hig groups tend not to pay as well as companies outside Wales. At Cardiff-based ASW, a company with 3,100

report, but only one other director received just over

£100,000 By comparison, the highestpaid director at Control Techniques, a producer of electronic control systems at Newtown in Mid Wales, which employs 560 worldwide, received £75,000 in 1989. At Hawtin, a Cardiff "mini conglomerate" covering textiles, property and building supplies and employing 357 in 1988, the highest paid director that year received \$43,000 and three other directors were paid in the range of £35,001 to £40,000, again according to the

Apart from lower salaries another problem facing employers in Wales is they find it more difficult than their counterparts elsewhere in southern Britain to recruit graduates into the country. This summer, NatWest bank took 10 graduates from Swansea university alone, and Ford took 13; nearly all of them will go to posts in England. "Nearly every company would find it difficult, even if they had the resources, to do

the reverse and bring graduates in large numbers into Wales," said one industrialist. We can recruit graduates born in Wales who want to return here after working in England or elsewhere. We can recruit graduates born outside

Wales but who have been edu-cated in the country. The rest Reversing the Welsh dias-



Cardiff lawyers Edward Lewis and Son, for example, returned to the Welsh capital after working in London. His firm

has been taking about five graduates a year recently, but it has "revised this figure downward in the light of changed conditions". New graduates can expect to start around £10,500, reach £16,000 - 17,000 when articled, and collect "around £40,000" by the time they are 30.

Mr Roger momas, of agents Cooke and krkwright, now part of Lloyds Bank-owned Black Horse Agencies, points to Mike Hall, the Welsh rugger international and Cambridge blue, as a recent recruit. The estimating they could be on at least £25,000 by the time they

Mr David Waterstone, who stepped down last month after six years as chief executive of ception of Wales.

work. Unfortunately, too many people still think it's all about coal mines and steel works. It's not. If we could only get that message across then it would be easier to bring the very best people to Wales." Mr Waterstone should know. A Scot, he has lived and

the Welsh Development Agency, says the greatest prob-lem people have is their per-Wales is the most marvel-lous place in which to live and

33 per cent.

James Buxton looks at why graduates cross the border turing, 18 per cent into finan-

cent) took employment in Scot-

There are too few jobs

YOU have a good chance of finding a satisfying job if you are graduating from a Scottish into commerce. university this year. The market for graduates is good, and employers respect those who emerge from Scotland's eight government service and the NHS (72 per cent and 87 per

But the job you settle for may not be in Scotland. For land. In finance the proportion was 75 per cent and in commany graduates this does not matter very much, but others are disturbed that a dispropor-tionate number of graduates from Scottish universities move south for their first jobs. This partly reflects the fact that Scotland cannot provide enough satisfying jobs for all

the graduates it produces.
Roughly 5,000 Scottish graduates obtain jobs in the UK each year, according to statistics collated by Mr Douglas McEachan of the careers service at Edinburgh University. About 3,000 of them stay in Scotland and 2,000 go to England. Of the 5,000, all but a thousand were domiciled in Scotland in the first place. If you assume most of the English-domiciled students would return to England anyway, about a thousand Scot-tish-domiciled students are

moving south.
Furthermore the trends appear to be growing: at Glasgow University, the biggest in Scotland with nearly 10,500 students, some 16 per cent of Scottish students left Scotland to take up their first jobs; in 1988 that figure had gone up to

According to Mr McEachan's study, public service (mostly government and local government) took 22 per cent of Scottish graduates in 1987/88 while

cial services and 14 per cent recruited in past years. Not surprisingly, high per centages of those going into

merce 67 per cent. In manufacturing it was only 55 per cent. You should not read too much about individuals' preferences and decisions into those 1987/88 statistics. But if you look at employment in the private sector you can assume that if you want a job in finan-cial services in Scotland (banking, life assurance, fund management etc) you should have

a good chance of obtaining one. In manufacturing, your chances are less good.

This may reflect the fact that manufacturing in Scotland is increasingly composed of branch plants owned by com-panies outside Scotland, while the number of large companies with their headquarters in Scotland has been diminished by takeovers. Only a few ranch manufacturing plants in Scotland offer work in research and development, for example, although most offer good jobs in production man-

agement and other fields. GEC Ferranti, which employs about 7,000 people in defence electronics around Edinburgh, is one of the rela-tively few electronics compa-nies in Scotland which carries out research and development. It normally recruits from universities in Scotland and the north of England. With the downturn in the defence indus.

instead of the 80 to 100

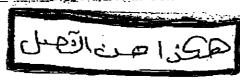
Even if you set your sights on obtaining a job with a Scottish company or institution, don't forget that the bigger Scottish employers will be looking for recruits outside Scotland as well. They are also likely to expect their employees to work anywhere they are asked to go, which may be a lot further from Scotland than London.

Graduates should consult the Register of Graduate Employment and Training in Scotland, known at Rogetscot. In it, companies from NEC Semiconductors to the Bank of Scotland explain what types of graduates they want, what work they offer and how to approach them. Many smaller companies advertise too. Rogetscot can be obtained from your university careers service, whose advice and information you should anyway seek if you are looking for a

seek if you are looking for a job for next year.

If you are able to obtain a job in Scotland will you be paid less than if you went south? Big companies like Royal Bank of Scotland pay the same starting salary to its new recruits wherever they are; the extra allowance for employees in London should only companin London should only compensate for the higher cost of living in the capital

Smaller organisations operating only north of the border may pay less than equivalents in the south. But good graduates are valuable anywhere. Those who obtain posts in Scotland may find the cost of living somewhat lower and the



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THINK AGAIN

# It's not true the world's against you

James Abbott offers advice to the still-unemployed

IT IS early December, and the festive season is fast approaching. Christmas cheer is all around - but for the graduate who left university or polytechnic five months ago and is still without a job, it is hard to raise a smile. All that hard work to earn a degree, and now picking up the same dole money as 16-year-olds.

A depressing scenario indeed

although not a very common one in recent years, as companies have fallen over each other to grab all the graduates going. Alan Catherall, a careers adviser at Manchester University, reckons that by Christmas only about 5 percent

of graduates are not fixed up.
The tight labour market for
those with degrees may have eased somewhat this year, but demand is still strong compared to a decade ago and there is usually some reason, not too difficult to detect by careers advisers, why a particular individual is left without a

A common problem is that the young person does not really know what he or she wants to do. This quandary tempts many to take off for Australia or other far-flung

shores - "but in my experience they find it more difficult rather than easier to decide what they want to do when they come back", says Mr Catherall

"You've got to know yourself: know what you want out of life," Brian Steptoe, director of the University of London Careers Advisory Service, advises these jobhunters. He recommends graduates submit themselves to interrogation by one of the graduate career computer programs to sort out some of the basic questions (such as: Do you want to work with figures? On your own or withother people?) and to come up with broad categories of suitable employment. Some unemployed graduates

do know what they are after but are trying in a very diffi-cult field. Although in general there is plenty of demand for degrees, in some highly specific areas - such as textile design for instance - applicants far outnumber vacancies and there are inevitably disappointments. In cases such as this, careers advisers will try and gently steer unemployed graduates around to consider-ing less competitive options.

Another problem can be that graduates are being too ambitious about the geographical areas they are prepared to consider. Ian Hodges, careers adviser at Exeter University, finds this a common difficulty, with many Exeter graduates electing to stay in the area because they find it attractive or because their girlfriends or boyfriends are in a lower year at the university - but the area may offer few openings for graduates in their field.

For young people who have been applying in areas where there are plenty of vacancies but have still not had any luck, the answer may be simple but unpalatable: they do not appear very employable. Quiet individuals who have not undertaken many extra-curricular activities and have emerged from higher education with a lacklustre degree do not appeal to many employers.

Shyness is a common prob-Recruiters and is head of manlem, but hiding one's light under a bushel, from the employer's side of the interagement development at accountants Price Waterhouse. While it would be over-optiview table, can mean an mistic to expect to be able to instant mental reject slip.
"Everyone is after the holy grail of the high calibre candichange someone's character overnight, careers services can offer some help for the shy date - and what distinguishes interviewee. Many run semi-

Don't do it! Those despairing at still being unemployed some time after graduating could find help if they looked in the right places them is that they are often nars on self-projection, and highly communicative," says Helen Perkins, who chairs the

dummy interviews can also

As a guide to the unemployed graduate, Brian Steptoe of the University of London offers the following advice: Monitor the vacancies in Current Vacancies (a joint publication of all degree-awarding institutions), national and local press and specialist publications such as Nature. Don't umns - watch also for news of business expansion where speculative applications might

be welcomed. • Review how you are mar-keting yourself. Does your cur-riculum vitae do you justice? Do you project yourself well at interview?

 Consider taking a job that is not your first option in order to get some work experience.

check only the Sits Vac col- This would show potential employers in your chosen field a degree of motivation.

Above all, Mr Steptoe says, be prepared to put some time in to getting the right job. Given that it has taken three or four years to gain a degree and that a career will span as many decades, "it's not illogical to have to spend 20 or 30 hours on career choice", he

THE Master of Business

Administration degree is becoming a prerequisite for good quality managers in the UK.

Although the degree is nowhere near as popular as in the US, where more than 70,000 MBAs graduate, numbers in the UK have more than doubled from 1,100 in 1980 to 3.640 this year.

So what can we expect to learn at a finishing school for managers?

According to the London Business School prospectus, "The central concept of the programme is that management can be taught as a unified body of essential management which can be applied to any organisation."

The MBA degree represents a significant investment. Most graduates can expect a starting salary of not much more than £27,000 and a debt much as £25,000 for full time students. However, according to David Penwarden, director for external relations, EAP School of Manage-ment in Oxford, they "catch up very quickly" and the degree is perceived as a ticket to ancial and business success. One of the considerations for a potential student is whether an MBA is ideally a postgraduate or post-experience degree. In the UK. most students have some experi-

The Association of MBAs, the graduates' lobby group, says the average age of full-time students is 27, with part-time students averaging 32. The typical MBA is a 27year-old male graduate with six years' work experience. Only 20 per cent are women.

As Janet Dobson, information officer at the LBS, points out, students can range in experience from the sons or daughters of managing directors who have "gained their experience at the dinner table" to those who have been in the market for as many as 15

Because of the nature of the

# A ticket to success

It's a big investment - but worthwhile, writes Lynne Wilson

experience is an important factor in the interactive learning

Not all schools list experience as a prerequisite. The EAP School of Management places more of an emphasis on the MBA as a postgraduate degree, with 180 of its 200 stn-

dents starting in September hoping to obtain an MBA before entering the market

The course, linked as it is to the EAP schools in Paris and Berlin, places a strong emphasis on international and especially European management.

The students themselves reflect this bias, with only 20 of the postgraduate students coming from Britain. One of the prerequisites of the course is fluency in French or Spanish, so the British students tend to be modern language graduates. The experience of

Association of Graduate



LBS-course, where students work closely in small groups, The London Business School, where work experience is central to the MBA learning process

the foreign students is more varied, reflecting the greater emphasis on business studies in European universities as much as a multilingual back-

ground. David Penwarden has noticed that very few of the post-experience students have been sent on the course by their companies. "Almost all MBAs are self-nominating," he said. "The onus is on the indi-vidual to apply, but of the 20 students starting in September, half have since obtained full sponsorship from their

EAP had what Mr Penwarden described as a "false start" when setting up its UK school. It approached management development specialists in a search for potential students, "but they didn't have enough clout to pull the right people out of the line," he com-

"Most graduates are recruited by strategic and management firms, and several have joined design consultants," Janet Dobson said. "But, thanks largely to that £25,000 debt, it's usually five to ten years before they start their own companies."

A vital reference book for prospective students is the Association of MBA (AMBA) Guide to Business Schools. This includes all 72 of the UK schools as well as the top courses worldwide, and aims to give an independent perspective on each. It also gives invaluable advice on methods of financing study.

The guide does not include in-house MBA programmes, such as those offered to management staff of Coats Viyella or Unilever. The Association believes that corporate MBAs suit individual companies but may not be marketable or transferable.

\*The Association of MBA's Guide to Business Schools, edited by Dr S J Paliwoda, published by Penguin, £11.95, from AMBA, 15 Duncan Terrace, London N1 8BZ, Telephone (071)837-3375.

**TOPPING UP** 

#### What next?

Phillip Halliday on further training

GRADUATES who are having difficulty finding the right job may be tempted to top-up their degrees with additional qualifications. However, what may seem like a perfectly sensible course of action may not necessarily open the doors to the jobs market.

In 1988, according to the Association of Graduate Careers Advisory Sevices, 23.2 per cent of university graduates and 15.4 per cent of those graduating from polytechnics lar local authority-run courses went on to do further study; either academic or full-time training courses. There are good vocational

reasons for putting off the leap into a full-time job. Some careers demand professional certificates or diplomas, such as the Postgraduate Certificate of Education for teachers; or post-degree training can allow a change in job strategy. A career in law, for example, does not necessarily require a law degree. Many graduates who enter the legal professions have degrees in subjects other than law and acquire their knowledge through courses,

mainly funded by law firms.

What are the options? Further education is fairly easy to get but costs vary from the reasonably cheap - through local authority adult education institutions and colleges of further education - to the more expensive post-graduate degrees and courses at private

A good starting point is your local authority. This will offer full and part-time day and evening education and training courses at low cost. Many local authorities offer a careers service as well.

Night schools are inexpensive and provide flexibility. The London borough of Southwark, for example, says that as a general indication of cost, a typical year's non-vocational course would cost £36 for 2 hours a week for 30 weeks' tuition - approximately 60p an hour. Vocational courses range from 52p to 70p an hour. However, students who travel across local authority boundaries may have to pay a higher fee unless the councils have reciprocal arrangements.

A post-graduate degree may be seen as simply delaying the inevitable, but it can be part of planning to open previously closed doors, especially in academia and the public sector. In Britain about one in five undergraduates takes up postgraduate study.

However, some employers question the motives behind embarking on a further degree in much the same way as they do with mature students. The post-grad student runs the risk of being stereotyped as lacking career direction or motivation or being rejuctant to face the real world. More importantly, post-grads may find themselves branded as over-qualified

The post-graduate path is an expensive one. Most post-grad funding comes from local authorities, government departments, industry or research councils. But getting the funding is tough and it is getting tougher - only the

PGCE grant is mandatory.
The DOG Guide to Postgrad uate Study, available from hensive guide for finding the right degree at the right institution. It covers general areas such as methods of application, funding and employment pros-

Private colleges offering business courses or computer training, for example, are expensive and cater mainly for bookings from companies. The private college option widens the range of choice at a time when many of the more popuare becoming fully booked.

MBA courses are rapidly gaining in value and popularity and are seen as one of the surest paths to degree enhancement - but they can be expensive. The Open Business School, part of the Open University, may be the answer if the price of an MBA is an insurmountable barrier.

The OU offers a three-tier business course - Certificate of Management, Diploma of Management and MBA - with prices ranging from £2,000 for the certificate to £5,000 for the MBA. Most students gain an MBA in 3 to 4 years, but can take up to 6 years. A prospectus for these courses can be obtained from the OU.

The MBA is no longer seen as a glamour degree, but is aimed at an increasingly professional management sector in the UK. As one Open University MBA student put it: The CV is beginning to look at bit bare without an MBA."

The government has no official policy towards post-degree training because it is optional, but the Department of Education does encourage further training. The department advises students who feel that their degree is inadequate to "make a career choice, then find your specific course - it pays to shop around".

The choice seems to be between building on your degree or going to the labour market to get the best that you can. Helen Perkins, chairman of the Association of Graduate Recruiters, the employee body with a membership of 550 companies, urges caution before graduates take the top-up trail. especially for those graduates who are having difficulty finding their first job.

She says well over 40 per cent of career opportunities are non-degree specific so it is unlikely degree discipline is blocking getting a job.

"I would be worried about unnecessary topping-up. It may revive flagging spirits in the search for the right employment, but a better strategy would be to seek careers advice. Our advice is find out why you have not got the job. Go back to the company after the interview process and ask the personnel manager. Most companies are helpful and will offer advice.

"The question to put to the company has to be; 'can you advise me about getting a job', not 'why did you reject me',' says Ms Perkins.

Topping-up your degree may be the platform to launch into a career but opinions are divided over its value in the jobs market place. However, further education is not just a tool, and can still be approached for reasons other career advisers is a compre- than getting work.

JOB AVAILABILITY

# . So who is interviewing whom?

The cocky mood on campus might be a little misplaced, writes James Abbott

ARE graduates so thin on the ground that they are worth their weight in gold? One might think so from the cocky mood there has been on campus, buoyed up by record rates of recruitment in recent years. But some careers profession-

als, such as Brian Steptoe of the University of London Careers Advisory Service, sound a note of caution. "All this talk of employers queueing up to recruit just anybody - of students interviewing employers - is a load of rubhish." he asserts, although he does concede that there are one or two disciplines, such as electronic engineering and computing, where graduates are instantly anapped up. But for the generalist -

such as the arts or social science student - Mr Steptoe advises that the job hunt has to be pursued with determination to be sure of winning a satisfactory post.

His recommendation is reinforced by a worrying trend revealed in figures produced by

that in the first half of this baby boomers are now out of

That fall, though, is from a high starting point - and there is no question yet of another era of gloom and despondency for graduates such as was seen in the early

"Graduates are still into a pretty cheerful market - certainly compared to other people coming into the jobs market for the first time," comments Brian Putt, Director of the Central Services Unit for Graduate Employment, which publishes a fortnightly list of current vacancies for gradu-

Mr Putt published his fattest-ever vacancy list in February 1989, and the lists stayed long for the following twelve months. But he reports that vacancies are now appreciably down, with the lists about 15 per cent shorter than a year

earlier. Those that are waiting for demographic factors to swell the employers. The Association the lists again shouldn't hold

year there was a 3.6 per cent the higher education sausage machine, and the universities and polytechnics are currently drawing on the shrunken birth rolls of the 1970s. But mature students and minority groups are stepping in to fill the places left by the infertile middle classes, keeping up the output of graduates.

Today's graduates can take heart from the fact that some areas are running counter to the general downtrend, with demand for graduates from the accountancy profession, for instance, up on last year. Also, some firms have taken strategic decisions to substitute graduates for school leavers in their trainee intake; Barclays Bank is one company taking

this course. But in industry generally, adverse economic forecasts have led to increased caution. "Graduate recruitment is the most fickle of labour markets," comments Helen Perkins of the Association of Graduate

Recruiters. She attributes the recent to the economic situation, but also to a change in fashion. Over the past five years, she says, firms that were not traditional graduate recruiters jumped on to the bandwagon and took on young people with degrees just because it was the "done thing" rather than to fill a specific need. This led to several jobs for graduates in small and medium-sized firms in retailing and other areas of the service sector.

With the squeeze on high street spending, "some of those (firms) are reassessing their needs", reports Ms Perkins, with a drop in vacancies. Longstanding recruiters,

though, are in many cases keeping a steady course through the present choppy economic waters, reckoning that maintaining their intake of intelligent trainees is the most sensible police in current conditions. One such blue chip recruiter, John Akehurst of Shell International, reports that: "We tend to stick with a longer-term perspective - with the ups and downs in the econ-

same numbers (of graduates)." Shell has a policy of taking on technologists and training them appropriately for nontechnical areas such as personnel; about three quarters of the company's graduate intake have technical degrees. This is bad news for the gen-

eralist, but there are plenty of

other employers interested in a non-technical degree. A recent independent research study on attitudes to the employment of classics graduates casts light on the sort of qualities employers are looking for - all of which can be displayed by an arts or social science student. In roughly this order, recruiters in the study sought

academic excellence; good communication skills (written and verbal); numeracy; interpersonal skills; leadership and teamwork; personality factors such as determination, commitment, flexibility and common sense: management skills: and commercial enterprise.

"If a person has the right qualities," the study concluded, "the discipline is sec-

# Ostacle

IMAGINE you are watching the start of a new television series featuring an "ordinary" couple: a school teacher and a mechanical engineer. Must be a sitcom - the husband is the teacher, his wife the engineer. Hey, Mum, leave the dishes; sit down and relax. This looks quite good.

A serious script might make it better, but perceptions of men and women at work, and public attitudes to "non-traditional" roles in society in general, make that a risky business (pace the Prime Minister). On the up-side, the Association of Graduate Careers Advisers is developing material aimed at equal opportunities; and the committee of vicechancellors lends its weight to "milk round" procedures stressing merit, not gender. A good deal of company recruit-ment literature and selection methods now shows a more

acceptable approach to women. Of course they do. Demographic trends indicate short-falls in skilled labour at all levels. including employment requiring further and higher education. Not since the Second World War have women been so plausibly wooed to work outside their homes. Companies and firms like Shell, Ferranti, Coopers and Lybrand, Unilever, ICI and British Gas now know there is a need to recruit from the full pool of available young talent, not merely the male half of it. Mr Chris Fernie, of the edu-

cation and training unit at the Equal Opportunities Commission headquarters in Manchester, takes a hopeful, almost gung-ho view of women's chances in today's graduate job market: "There is a definite accent - for example, in big retail companies and in banking, where specialist skills are at a premium - on providing working conditions in which a woman might be supported through a career break to establish her young family."

Well and good. But only this summer (July 1990) Mr John MacGregor, the UK Education Secretary, wondered aloud why the proportion of women in computer programming and analysis, to take just one sup-



Women such as Air Europe first officer Lynne Edmonds can — and do ~ break sexual stereotypes. But it's an uphili battle to reach the top

# And now: jobs for the girls

... But the old boys still have a depressingly strong hold on the market, writes Gay Firth

posedly female-friendly, speci-alised line of work, has stayed at only 20 per cent since 1981. Between 1986 and 1988, A-level graded results in computing were gained by 1 per cent of male graduates but only 0.2 per cent of female graduates, and the proportion of women gaining first degrees, postgraduate degrees and diplomas in computing had not generally risen beyond 20 per cent of the total. This is "puzzling and disap-pointing," Mr MacGregor said. Why are women so under-represented in what looks at first sight a very attractive industry? The world of computers allows for flexible working hours and home working." But it's not that puzzling:

old-fashioned sex stereotyping (too few women teachers in the subject, peer group and family pressure, computer studies equated with technology, therefore an assumed male preserve) is at least part of the

Notwithstanding the Sex Discrimination Act 1975 and a raft of other legislation applied to

women in employment, progress towards equal opportunities at work remains more a triumph of hope than of experiепсе.

Women at work present a ghetto pattern. "Job segregation" is the polite phrase for it; "pink collar", if you like. At all levels of employment, women are still being guided into and are still choosing careers tradi-tionally associated with "womens work".

Mind you, a mould-breaker can have her enthusiasm drained by a working life handicapped by conspicuousness to say nothing of endless teasing, even of the friendly and well-meaning variety, from male colleagues.

It is only realistic to point out that, for women, the gap between entering an interest. ing career with positive pros pects, and turning those prospects into reality, remains

The report of the Hansard Society commission on Women at the Top, published last January, paints a wide-tocus, wellresearched, devastating pic-ture. But it should be required reading, even if it does end in

From public service to the private sector and all stations in between - the law, the judi ciary, the universities, broad-casting, print media, corporate management (including board appointments), trades unions, political candidacies, appoint ments to public bodies of "the Great and the Good", parlisment itself, and a galaxy of individual companies - the publication is a catalogue of high-flying female failure to break through the "glass ceiling" between legitimate aspirations to and arrival in senior jobs. Icily polite in tone there is not a flicker of feminist angst to diminish its authority - it is not so much a cautionary tale as a late 20th century call to arms.

Women can and do become accountants, scientists, solicitors, airline pilots, engineers. You name it - almost - and von can do it.

However, "the right qualifications" almost certainly means, still, a better class of degree than that expected of male graduates. "The right persistence" means the courage required to say no thank you to potential employers still more accustomed to placing women graduate recruits at typewriters than in graduate trainee schemes (watch those employers in the "creative and media" professions). "The right contacts" may mean your own efforts to locate friends a year or two ahead of you at university, now with their working feet on the first rung of where you want to be.

"Old boy networks" have been built over generations. "Old girl networks" have scarcely begun:

FIFTEEN YEARS ON

# Prejudice remains

Equal opportunities are still a dream, says Deborah Hargreaves

discrimination in the work-Equal Opportunities Act, but there are still precious few women directors or company chairman around to bear witness to the fact that women are moving more quickly through companies' promotional ranks.

While employers can no longer discriminate overtly against women, strong prejudices remain - particularly among the middle-aged men who head most big corporations - and the odds can be stacked against female employees in many subtle ways.

There are now very few jobs that women cannot do. Last year's Employment Bill removed some of the final barriers to women in a number of traditionally male jobs - for instance by allowing women down mines and on to North Sea oil rigs. Employers can only discriminate for reasons of decency and privacy - for example, women are not permitted to work in male toilets - or for authenticity. A theatre group can ask for a Lady Macbeth, for example. There are exemptions for the Armed Forces, and women are still barred from handling some nuclear materials.

Women can come up against entrenched attitudes as early as the interview stage for a particular job. Female candidates are not required to answer questions, however, that could not equally be asked of male applicants. The advice from the Equal Opportunities Commission if an interviewer is pursuing a particular line of questioning is to point out in as polite a way as possible that you know the law does

IT IS 15 years since these sort of questions. ally applying for jobs - they are generally treated as equal to their male counterparts and are paid well. However, problems can arise later in terms of career progress and promot-

ional prospects. "Even if a woman has made a conscious decision not to have children or has made arrangements for childcare, when employers are given a choice between a man and a woman for a promotion, they tend to presume that the man will be the better deal," says Ms Fiona Fox at the Equal Opportunities Commission.

For this reason, women often have to have a very clear idea of where they want to go in a career and have to do a lot to help themselves without relying on the company hierarchy to map a career path for them. Mr Jim Platt-Higgins, head of recruitment at Esso, the multinational petroleum group, says he is trying to draw attention of people in the corporation to the fact that they may discriminate against

women subconsciously. When men are appraising women, they have to judge how far that woman will go in the company, Mr Platt-Riggins says; but if there are no role models against which to judge them - most senior positions are held by men - they may have a tendency to underrate a woman's potential.

Women are still in the adaptive mode, having to make sure they are projecting the right profile to a predominantly male hierarchy," says Ms Helen Perkins, head of management development for Europe at Price Waterhouse and chairman of the Associa-

tion of Graduate Recruiters. Women graduates get a bet- She believes women will find it until companies adopt non-sexist appraisal schemes where competency is assessed as

objectively as possible. It is often the more traditional engineering and manufacturing companies in the UK where prejudices against women are strongest. Ironically, these companies are trying hard to attract women and often have their own working parties looking at how best to encourage female employees.

However, until entrenched attitudes and training patterns in some of these companies change, women will still be put off. "These companies have got to start taking risks and put women in senior positions," says Ms Perkins.

Engineering companies often take the view that unless young graduates can manage a gang of male workers on the job, they are not going to prog-ress at the company. "For women this is deeply challeng-ing and not very rewarding." says one recruitment adviser, "but many male graduates don't like this approach either and I don't think it's necessarily a good way of using graduate talent,"

Women do at least have demographics in their favour as the birth rate declines women will play a greater role in company life. Many of the financial services companies which have traditionally relied on female labour are recognising this and making an effort

to retain female employees.

At the forefront is Midland Bank, where 58 per cent of the workforce is made up of women. Last year, the company launched an initiative to try and retain its female employees which included a programme to provide nearly 300 créches across the country.

The company sees its initiative as central to its efforts to promote more women to managerial positions. The number of senior women at Midland has increased by four per cent in the past three to four years to 19 per cent, and the company has a woman on the board.

Women graduates must be very aware of self-developcan tend to sit back and let things happen, but if they are to get to the top, they have to develop a "male" career track

for themselves.

Ms Perkins' favourite advice is: beware of Mr Equality. She says women can get sidelined into departments which are headed by men who set themselves up as champions of women's rights. Often it is a way to build a strong department, and women get stuck there with little chance of being promoted outside of the

MS NATASHA Wiesenthal spends her days cooped up underground working in a confined space with a gang of men. It is dirty, gritty, hot work. She can often be underground for eight or nine hours at a stretch.

As a mining engineer on the Channel tunnel, Ms Wiesenthal one of only a handful of women to work underground since last year when the UK changed its laws allowing women in to mines.

When Ms Wiesenthal started her degree in mining engineer-ing at Imperial College, London, there was still no question of a woman being allowed down a mine in the UK, but that did not deter her in her quest for a varied job. In her summer holidays she worked at an iron ore mine, and a mineral sands mine in Australia, a quarry in Scotland, and a gypsum mine in Austria.

She relished the chance to join such a unique project as the Channel tunnel and stresses that - in spite of the working conditions - she has never been tempted by the lure of an office job.

As an engineer overseeing part of the hand tunnelling work on the project, Ms Wiesenthal is responsible for supervising the engineering side of the miners' work. She works closely with a gang of miners who, she says, respect her for the job she does, "They have the occasional joke - you just have to have a reply up your sleeve and not let it get

you down." The job involves a lot of walking around the tunnel but Ms Wiesenthal insists it is not physically hard work. "I've picked up a shovel and done some shovelling and helped to lug wood around. Obviously, I can't lift a 50kg bag of cement, but I'm not there to do that."

She believes there are a lot of women who enter male-dominated careers only to leave later when they get no nurturing on the job. For this reason, "you've got to be extremely determined - if things become easy, I get suspicious".

 ANOTHER woman who doesn't want an easy job is Ms Alison Ingram, the only female profit centre manager at Brit-ish Rail. She is responsible for ensuring that trains run on time in the Cardiff, central, and West Wales area and, as importantly, making sure they stay within their budget. With a degree in history, pol-

itics and economics from Southampton University, Ms Ingram choose BR's training scheme over a job at Midland Bank mainly for the variety it offered. She has since moved around the corporation, become ing the first woman to take each of the previous two BR jobs she has done. Her first position was station manager, at Grove Park, near Lewisham in London, where she was in charge of 70 people and a branch line to Bromley. After that she worked as performance manager at Brighton I'm a woman"



Chunnel engineer Natasha Wiesenthal: "You have to be extremely determined," she says **BREAKING THE MOULD** 

# Women who win in the world of 'men's' jobs

Deborah Hargreaves talks to women who get their hands dirty

four years after joining BR. She presides over the sched-uling of train timetables in her region, allocates resources in the form of people, and trains, and works out how much it will all cost. She also has to check on safety. Much of her job consists of monitoring the running of the trains which she often does by personal observation. "I try to travel as much as I can on the train because you hear what people are saying.

As part of her job, Ms Ingram must motivate a staff of mainly middle-aged men who have come up through the ranks of the railway and, although they are very gentle-manly, can be resistant to

change.
"It is sometimes difficult to convince them you've got a better idea. My inclination is towards consensus manage-ment and sometimes I think I have never been consulted

"In the end you have to say, well, this is what we'll do."
For many, it is a major culture shock to be working with a female boss, Ms Ingram says. Although the majority will respond once they are convinced you know the job, "it dewned on me in my first year that some people will just not accept that I can do it because

Ingram's advice to trainees is to choose a boss carefully one who will be supportive.

 Ms Meg Jollands works as a plastics engineer at Dow Chemical in Germany, conducting research into foam products and then running trials at a production plant on the other side of the Rhine in France. As a young woman, she runs

up against double reservation on the part of the predomi-nantly male workforce. "They are always concerned that a young engineer doesn't know what he or she is talking about, and perhaps they are a little more concerned because Im a woman

"When I'm doing a trial, the way I approach it is to ask them to help me do something and they like to help." She says her male colleagues

tend to be more assertive in management style, but they do not necessarily get better results. "I have some advan-tages over a man because they always remember who I am and are often happy to talk to

Ms Jollands worked as a ms Johands worked as a mechanical engineer in the UK after doing a degree in the sub-ject at Oxford University, but when she was made redundant after a year, returned to do a PhD in plastics engineering. After that she was keen to

higher status than they are in the UK and can earn more. For her, engineering is a vocation. She advises other women not to be put off by anti-female bias because the

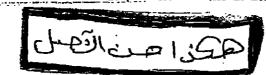
rewards can be great. ALISON BURKETT does not mind scrambling over machinery and getting her clothes dirty. As an electrical engineer at British Steel she spends a lot of time sorting out problems that occur in the rolling mill at Workington. It

can be mucky work "Initially the men I worked with were apprehensive at working with a woman," she says, but when I went on shift work, it was very much hands-on work and once they saw me crawling over the machinery, they accepted me." Ms Burkett first got involved with the steel industry in a summer job from her degree course in physics at Edinburgh University. After that the company decided to sponsor her and she joined British Steel as

the only woman engineer four years ago. Last year, she was chosen as one of two graduates to benefit from BSC's exchange programme with Japanese steel-

makers and spent three weeks at Sumitomo Metal Industries. Women have got to be prepared to get in among the equipment and not to be stand





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Career Choice 1

**ETHNIC MINORITIES** 

# Goalpon Goalpo Goalposts keep

Khozem Merchant on the problems facing blacks and Asians

find themselves in a competi-tion for jobs without being told report, is that companies are the rules," says a Commission for Racial Equality study.\* The report argues that as Asian and black graduates make themselves more employable by obtaining degrees and more, so the goalposts in the labour

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The same

market are moved. Yet even after getting through the front door, black and Asian graduates are less likely than whites to be in their preferred jobs, says the report. And they are offered fewer promotion and training opportunities, in particular those that would elevate them

to managerial status. The CRE report, which builds on its 1987 publication on the same theme, is based on interviews with several hundred 1985 graduates on their job experiences three years after graduating. The report

■ Black and Asian graduates made significantly more applications than their white counterparts. They also attended more interviews before securing a job offer;

All ethnic minority graduates face a greater likelihood of being unemployed after graduation than white graduates (17 per cent more in September, 16 per cent in October; and 13 per cent in November);

■ Ethnic minorities tend to be concentrated in polytechnics which employers continue to overlook in their graduate recruitment drives:

Among minority graduates, African (18 per cent), Caribbean (37 per cent), Asians (29 per cent), and East African Asians (31 per cent) believe their ethnic origin hinders

their job prospects. The report concludes that although "there is some racial discrimination in the graduate labour market", there is no evidence to suggest that it is direct or intentional Rather, it says, any discrimination is due more to the British generalist' tradition which puts a premium on personal and social

not getting the right people because they recruit from a few top, unrepresentative universities. "If they looked around they would be able to match their needs more precisely to what is being produced."

"Certainly some leading companies are taking the problem seriously in so far as they are developing polices and monitoring their implementation," says Mr Brennan. But, he adds, the changes amount to a tinkering rather than an overhaul of strategies.

The rethink on recruitment practices has been one of the tasks of the Association of Graduate Recruiters, the umbrella group for graduate recruiters which includes some of Britain's biggest companies. Yet at this year's AGR conference, the subject was not even

"What concerns me is the air of complacency. I detect a feeling within the AGR that because of the general graduate squeeze in the 1990s, the problem of black recruitment might resolve itself," says the CRE's Mr Paul Stephenson.

But Mrs Margaret Orchard, who chairs a joint AGR/Association of Graduate Careers Advisory Services committee on ethnic recruitment, disputes this. "I don't believe the issue is any less important because it was not discussed this year. We have encouraged many companies to take the matter seriously. We're gaining ground but it is a slow slog." After stinging reports in

recent years, the professions

are also introducing changes long advocated by the CRE. At the Law Society, Mr Jerry Garvey, an equal opportunities officer appointed after a 1967 report revealed that just over 1 per cent of nearly 49,000 solicitors in England and Wales were from the ethnic minori-Mes. confesses his own

approaches to City firms for

ety's initial satisfaction has given way to frustration over getting the City of London Law Society (CLLS) to tackle the issue of ethnic recruitment because of the CLLS's slow progress, says Mr Jonathan Goldsmith of the Law Society's race relations committee. In July the CLLS finally circulated a code of practice on the recruitment of ethnic minorities and equal opportunities and is following up the matter in talks with the CRE City firms take on about 30 per cent of annual graduate applicants.

Earlier this year, a Brunel University report commis-sioned by the Law Society and CRE, revealed how law firms' narrow recruitment policies based on a public school/Oxbridge background perpetuated exclusivity. The accountancy profession,

which takes on about 12 per cent of all annual graduates, has also introduced ethnic monitoring and this year has produced a breakdown of student enrolments. Just over 800 of the 7,000-odd entries into the profession in the year to August 1989 were from the ethnic minorities; six refused to complete the questionnaire on ethnic background. The CRE code of practice has also been incorporated in the training handbook published by the Institute of Chartered Accountancy. "We have done all that the CRE has asked of us," says the Institute.

As employers are forced to look further affeld, their task should be aided by the introduction this year of ethnic monitoring of first degree university and most polytechnic applications. "Employers who say ethnic minorities simply do not apply will be able to see the figures for themselves, identify the colleges and recruit them," says Mr Bren-

\* Ethnic Minorities and the Labour Graduate Market by John Brennan and Philip McGeevor, Commission for Racial Equality, Elliot House, 10-12 Allington St, London talks were flatly ignored.

In any event, the Law Soci-SW1E 5EH (£2)



The entire race relations issue is treated with "extreme care and sensitivity"

PROFILE: Ford

# Wide acclaim for race policy

Khozem Merchant finds a model recruiter

leading recruiters of graduates. Yet by its own admission, when it comes to taking on black and Asian graduates, even after a decade of ethnic monitoring it still has much to

"For operational and tactical reasons, our intake has got to be improved. It is good for business. We must be seen to be doing more," says Mr David Warrell, head of Ford's graduate recruitment.
Ford's own doubts aside, the

company's efforts are widely applauded by, among others, the Commission on Racial Equality, which views it as a model recruiter. The entire race relations issue, according to one Ford ethnic minority graduate, is treated with extreme care and sensitivity".

"For graduates, including blacks and Asians, the company generally operates a meri-torious system. We are a very small minority here but are not treated any differently," he said. Other minority graduates echoed this view.

Ford's annual intake of ethnic minority graduates has increased from nine in 1987 (5 per cent of total graduate recruits) to 14 last year (7 per cent of total). Yet this has been against a background of declining interest from minority graduates (465 applications in 1987; 358 in 1988; 307 in 1989, in each year about 10 per cent of total applications). This year applications have shot up nearly 30 per cent, to 404 (14 per cent of the total). The inconsistency has puzzled Ford as its recruitment activities have, if anything, intensified over the same period.

One of Ford's responses has been to consider broadening its area of recruitment away from

FORD is one of the UK's universities and towards polytechnics, which attract a greater proportion of minority students. "By leaving recruitment to traditional areas we were not achieving good results," says Mr Warrell.

Nearly 10 per cent of Ford's total ethnic minority graduate applications this year came from just three polytechnics: East London, Staffordshire and Liverpool. "We have asked line managers to work at particular polytechnics where ethnic minority applications are high," says Mr Warrell. Some 38 educational institutions will be visited on this year's milk round, including six polytech-

nics, three for the first time. Ford has also become involved in a pre-degree foundation course at East London polytechnic (which generated the largest number of ethnic minority applications this year) designed for potential engineering recruits who lack the conventional qualifications of A levels. The company sponsors students through the foundation course and subsequent degree, after which they join

Ford's graduate scheme. Unlike its parent company in the US, Ford UK does not set itself ethnic recruitment targets. In the US companies are required to meet statutory levels laid down by the Equal **Employment Opportunities** Commission.

Yet as Mr Ken Baker. Ford's equal opportunities officer, admits, target setting is an option being studied by the British company. "We have not set ourselves targets, but it is an area we are looking at." Setting targets for getting ethnic minorities into management is a priority (ethnic minority graduates make up one per

Continued on next page

PROFILE: Jayantie Sharma

#### Bowled a bouncer

Khozem Merchant meets an Asian law graduate

making story but the core points of law graduate Ms Jay-antic Sharma's interview with a City firm of solicitors.

The interview was one of only three invitations the Trinidadian-born Ms Sharma received from more than 120 applications for articles (professional apprenticeship for solicitors) over two years. "I was flabbergasted [with

the questions, but when you are desperate you smile sweetly," says Ms Sharma, 29, who for the past three years has been working on her PhD at Reading University Last month she began her law school finals in London, having secured a place efter a threeyear wait - but not the articles that students seek to bag before commencing the nine month course.

"I think the interviewer was just fascinated by the phenom-enon of a highly-educated, unmarried Asian woman. He presumably thought I would look good in his firm which he said had many Asian clients." says Ms Sharma.

The hour-long interview covered her Hindu caste (socially elite Brahmin), her father's occupation (Hindu priest) and each of her brother's jobs, how

to marry.

There is one thing I must ask you. An Asian woman of your age should be married. Why aren't you.' I replied that it had

the prospective articles and her academic background. Five minutes was spent discussing these points.
"At the conclusion of the

interview he said, I am not sure you will go to law school.
You are highly educated but I do not think you will be able to cope if something [marriage] comes up between now and September. Contact us when you start law school."

Ms Sharma replied, as she was shown the door. "Are you saying you will offer me articles on condition that I find the state of the stat ish my law finals." To which the interviewer replied: "Yes." But she has yet to receive

written confirmation of the firm's offer, or otherwise, in spite of having requested it. The Law Society and the City of London Law Society, which are both keen to promote greater black and Asian enrolment, have expressed dis-quiet at Ms Sharma's treat-

NORMAN Tebbit's "cricket "Indian" she regarded herself test", marriage and religion: (despite her Caribbean backno, not the stuff of a headline ground) and when she planned into the profession.

Ms Sharma traces her interest in law back to her child-hood in Trinidad where her "The interviewer said to me: uncle and cousins run a well-established family law practice. Her education from secondary school onwards has not been a priority."

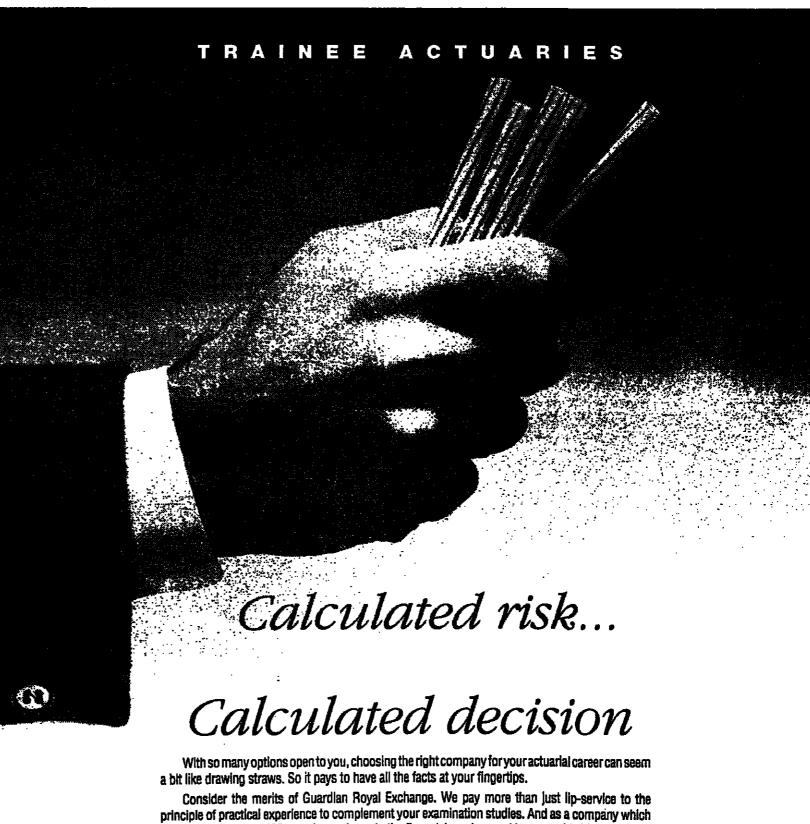
It was left to Ms Sharma to raise the subject of the firm, been in Britain. She read a BSc in law and politics at University College of Wales, Aberystwyth, where her aim was to become a barrister. But she decided not to take up a place to study her bar finals at Lincoin's inn because she felt her

ioint honours degree had not given her a sufficiently wide knowledge of the law. That was put right with a diploma in intellectual property law at Queen Mary College, London University – during which time she decided to become a solicitor – followed by a PhD in economics focusing on the economics of patent litigation. Ms Sharma assumed her post-graduate qualifications would ensure a trouble-

free passage to articles. Not so. "I have a degree, a post-graduate diploma and I have almost finished my PhD. I am just so surprised that in spite of all my further education solici-tors' firms are still not interested. I thought I would be snapped up. The vast bulk of the firms I wrote to - including the top 60 in the City have not even replied. Some said they wanted better quali-

fled people. It is shocking.
"A common concern at the three interviews was that I would leave prematurely to marry. At two of the interviews - with smaller firms -I expressed an interest in continning education, to keep abreast of changes. This did not go down well. They seemed to regard this as a diversion. One of the firms has not even replied to me. I can only think that I have been rejected because I am an Asian woman and because of my age."
In spite of her setbacks Ms

Sharma is determined to stick it out. In the summer she adopted a more direct approach: she began telephoning solicitors' firms and asking for vacancies. That produced two invitations for interviews. As for the "cricket test" Ms Sharma feels she, and many



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Julie Walters in Educating Rita, the film that inspired a generation to go back to studying

MATURE STUDENTS

# Age is no barrier to success

Phillip Halliday looks at prospects for older graduates

JOB PROSPECTS for mature students are improving but they should choose their degrees with care and get careers guidance before they enter their courses, according to Dr Eveline Nicholls, careers adviser at Loughborough Uni-

Dr Nicholls's survey of mature students graduating from universities and polytech-nics in England and Wales in 1988 shows that the unemploy-ment rate has decreased, for all age groups, since the first survey was compiled in 1986.

The proportion of graduates finding work within six

months of leaving higher edu-cation has increased, with the 25-29 age band doing particu-larly well. The picture for the 30-49 age group is not quite so good but the trend is still a positive one.

However, mature students (aged 25 or over) should try to read subjects that are careerrelated to increase their chances of finding a job, advises Dr Nicholis.

The public sector is the most popular choice for mature stulents. For example, 67 per cent of students over 25 who graduated in 1987 found work in the public sector compared with 29.2 per cent of the younger ones, according to the Association of Graduate Careers Advi-sory Services (AGCAS). "Many more older graduates

are going into teacher training because it is easier to get into teaching. The private sector is harder to get into unless you have experience and a relevant degree," says Dr Nicholls.
Careful planning and research at an early stage increase the chances of finding

work. "Talk to career advisory bodies before entering higher education; academics are not necessarily the best people to speak to because they are con-cerned with their courses."

Dr Nicholls, who began her studies at the age of 34 after a career in the textile industry, points to her own example. "I studied applied science at Cardiff University but wish I had

taken physics."

Science-related degrees are probably the best bet in terms of employability. There is a shortage of scientists and engineers and Dr Nicholls warns that matures with an arts degree are likely to find it

"doubly difficult" to find work. Helen Perkins, chairman of the Association of Graduate Recruiters, agrees with precourse guidance as a way of avoiding unfulfilled expecta-tions. "It is vital that this growing population of older graduates have access to quality careers guidance before they enter their course, she they enter their course, she told the AGR annual conference in July.

The attitude of employers

FIRST DESTINATIONS SIX MONTHS AFTER GRADUATING Univ Univ Poly Under 25s Employed (%) 59.8 11.2 Employed (%) Unemployed (%) 9,4

towards mature students, who comprised about 11 per cent of students at university in 1989, is a stumbling block to finding a career. An AGCAS survey of 117 employers in 1989 said many employers expressed fears that older entrants were less mobile, had problems integrating into training schemes and disliked criticism.

However, some employers said older graduates had greater self-knowledge, were emotionally more stable and showed greater loyalty. The picture is by no means clear with many employers reluctant to commit themselves on

recruitment policy.

Most companies adopt a "best person for the job" approach which does not necessarily cater for any special training needs that the older person may require.

Barabara Graham, of the careers advisory service at Strathclyde University, feels that although the 25-29 age group has a mix of youth of maturity which attracts employers, the over-30s stillhave problems convincing companies of their worth. Employers should focus attention on this group," she says.

Ms Graham wants to see the practice of grouping students into age bands disappear as it tends to enhance preconcep-tions and biases. She advises mature students to seek out their local authority careers advisers but warns that the service varies from region to

region with very few equipped to give specialist advice.
Tutors can help: "Course
tutors should be able to provide factual information about the destinations of former

mature students which can be very useful," she says. Mature graduates should improve their self-presentation. "Make it easier for the employer to see the skills and show that you are not just a victim of fata," says Ms Graham, who believes careers advisers can be of great assis-

tance in this area.

Older graduates must be confident and assertive in the quest for work, advises Dr Nicholls. They should not worry too much about the "mixed opinions and attitudes" of employers which she feels are changing for the better. "Companies are usually pleased with the mature students they employ. They set a good example and it leads to greater confidence in taking on the over-25s."

Choose your employers with care, is the message. Medium and smaller companies are likely to prove better hunting grounds for matures.

The employment outlook for mature students remains unclear but interest in the over 25s appears to be on the increase. However, it remains up to the student to show an employer why older is better.

PROFILE: Birkbeck College Continued from previous page cent of Ford's management, and half of these rose through the graduate scheme). To be in

a position to meet these aims, he says, Ford must look in the

right places for ethnic minority

iggest and best response.

graduates so as to attract the

But such an initiative would,

according to Mr John Brennan,

author of Ethnic Minorities

and the Labour Graduate Mar-

ket, necessitate a significant

rethink on recruitment strate-

gies, the like of which has yet

to be unveiled at any number

of top British companies.

"Companies are still looking in

the wrong places, though some

are slowing changing their ways," says Mr Brennan.

group set up by the Associa-

tion of Graduate Recruiters

ate Advisory Services to

improve the lot of ethnic

minority graduates, Ford has

dropped measures long

resented by black and Asian

applicants, including requests

for a photograph with applica-

Greater prominence has also

been given to black role mod-

els in brochures. Of the 21 case

studies, four are black or Asian

graduates, a balance which far

exceeds the true proportion of

ethnic minority graduates at

enter details of their ethnic

background on the application

form. The vast bulk do. Failure

to do so is not held against the

applicant, Ford says, although

it acknowledges that many eth-

nic minority graduates still

feel failure to comply would

Interviews are conducted

only by senior managers who

have completed Ford's

in-house courses for graduate

recruitment, interviewing tech-

niques, equal opportunities

Managers are taught to avoid the cultural stereotypes,

the "invisible" and often unin-

tentional signs of racism most

bitterly resented by blacks and Asians. Pointed questions,

such as asking an Asian

woman when she intends to marry, are ruled out. Indeed.

all domestic type questions are

avoided. A record of first inter-

views is occasionally inspected

by a superior if a candidate

has been rejected because of what is perceived by the supe-

rior to be prejudicial reasons, then they are likely to be given

a second chance; the inter-viewer, meanwhile, would be instructed to receive further

counselling on equal opportu-nities but would not be disciolined. Company disciplinary

procedures do not cover dealngs with non-staff, Ford says. Ford puts up mock candi-

aiates to test the interviewers;

the guinea pigs' brief is to peak lucidly but in a heavy Asian or Afro-Caribbean

accent. The exchange is seconded and the interviewer's performance discussed later.

Ford's small number of Asian

or Afro-Caribbean managers do

onduct interviews and occa-

ionally end up on a panel

nterviewing ethnic minority

More than half of Ford's eth-

uic minority graduate recruits to into systems. Last year the ection received 78 ethnic

ninority applications (out of a stand of 643), of whom 36 were nvited for interviews and

even offered jobs. It is by far

he most popular area of imployment for black and

Asian applicants. The training

faccent.

prejudice their chances.

and race awareness.

Candidates are invited to

As a member of a steering

#### School for part-timers

Sheila Jones discusses higher education for older students

CAREER choices can be thwarted by lack of formal qualifications. Rightly or wrongly, many people seeking promotion or a move into a different career find their way blocked because they do not have a degree.

Many polytechnics, the Open University and some conventional universities offer degree courses part-time. Birkbeck College in central London provides part-time degree courses to mature stu-

dents. It is the only institution face-to-face lectures and tutorials at night school. The college offers some full-time courses but it focuses

on those unable to study full-time because of obligations such as full-time paid work or looking after children. Baroness Tessa Blackstone,

Master of Birkbeck, believes the college can provide a second chance for the "large num-ber of people" who have missed out on higher education earlier in life. "There are literally thou-

sands of people who could have gone into higher education at the conventional age but did not because of the nature of our schools system which freezes a lot of people out at

the sixth-form stage."

Both the arts and sciences are covered at Birkbeck, which is part of the University of London. Courses range from geography, history, languages and philosophy to economics, bioengineering, maths and

BA and BSc degrees take four years, usually involving two or three nights of formal study a week during traditional term time. MA and MSc courses are generally over two

MPhil and PhD research courses are also available, part-time and full-time. Many other courses last from one day to 30 weeks.

For many Birkbeck students, a two hour night class comes on top of a day at work or after negotiations over a babysitter. It is a demanding commitment.



"I think that the combination of work and study can often be a very powerful one that works well for people even though it's tough," says Baroness Blackstone. It can be a commitment that

pays off by broadening career options as well as the mind. "I would hate people to come here for purely instrumental reasons; simply because they

wanted to earn more money or because they wanted a higher status job. I want them to come here because they want to learn; to increase their knowledge, improve their understanding ... at the same time, it is perfectly legitimate that they want to find more interesting jobs; jobs which give them more satisfaction, more responsibility."

Birkbeck is not just a place to train people for jobs, Baroness Blackstone adds."A good employer will be as happy to support somebody doing a degree in philosophy as they will to support somebody doing a degree in analytical chemis-

Most Birkbeck students are self-financing. Fees in the coming academic year are £408 a year for undergraduates and £798 a year for postgraduates. Blackstone Baroness believes too little is done by government and employers to encourage part-time study. "We need employers to

encourage and support their staff who are not graduates but who have the potential to become graduates. Only a relatively small minority of our undergraduate students are supported by their employers. Far more ought to be."

Demographic patterns which mean fewer graduates are entering the labour market may force change.

"One of the appalling inequities in our system is that full-time students, however rich, get their fees paid by local authorities. Part-time students however poor they are, and even if they've had no higher education at all, have to pay their fees. I think that's WYODE.

While those people entering the labour market with qualifications such as a degree must have the edge on those without, a degree carries no guarantee of improved career prospects, particularly for mature

There are a lot of employers who are unimaginative in their recruitment policies; who still believe that they have to take the 22-year-old conventional graduate rather than a 32-yearold Birkbeck or Open Univer-

sity graduate. What they will have gained is somebody who has a broader and wider range of experiences, a more mature outlook; someone who may well be more settled in their private and domestic lives and therefore more likely to commit themselves to the firm, company or organisation.

Birkbeck has about 3,000 degree students. Ninety per cent of them are over the age of 21; just over half are men. It operates a flexible recruitment

"Birkbeck is an institution that wants to open its doors to the widest possible range of students," says Baroness Blackstone. "It considers people from all kinds of backSTRIKING OUT from an established way of life, from a job that provides stability but little else, is an option for relatively few people. Once established in a career most people stay there - for life.

Switching careers late in life is for the foolhardy or eccentric; frowned upon as a sign of instability.

Few people could say that at the age of 18 or 21, they were fully equipped to make the right career choice; to start a job that would suit them and their employer - for the rest of their working lives. Yet

this is largely the way the labour market operates.

To leave the labour market at the age of say 45, out of choice, is to take an enormous risk. One way of escaping from an ill-suited job is to enter into further or higher education as a mature student.

Mike Lea, a Londoner, left school at 17 in the early 1960s. He had three O-levels. "I was useless at exams. I

went into insurance because it was the only job I could get. I started as a dogsbody in claims and stayed with my first employer for just short of 15 After a couple of years of

day release and night classes, Mike emerged with the Fellowship of the Chartered Insurance Institute. That sealed his career for 25 years. Mike did not particularly enjoy the work. Neither did he feel that he was getting the best out of

But a lack of formal qualifications restricted his options. He left his first job in 1977 and despite reservations, be joined another insurance company after a brief period with a temping agency. He stayed with his second employer for 10 years.
"I ended as an administra-

tive manager, working mainly on policy drafting." Mike felt there had been lit-

tle choice but to stay in insurance. He would like to have followed his father into the legal profession but three O levels was well short of the academic requirements.

"I think my career in insur-ance was basically a waste of time. It required no thinking. Once you had the basic grounding it was automatic pilot from then on. I thought I was probably in insurance for the rest of my life."

PROFILE: Mike Lea

#### Escape from boredom

Sheila Jones meets a mature student



Mike Lea: hopes to do an MPhil and possibly a PhD

Once in his 30s, Mike felt that it was probably too late to

"The job adverts usually specified - people over 30 need not apply. I was bored but I felt that I had left it too late. I was also a coward and I felt lethargic and institutionalised."

At that stage, Mike rejected the idea of abandoning work and instead he embarked on an Open University degree course. His priority was to engage in something that he enjoyed and which had nothing to do with insurance. "I did it to keep my brain

functioning." Mike completed the OU degree in economics and sociology in 1982 after three years of study in his spare time. He staved with his second employer for nearly 10 years, by which time, in spite of what he felt were limited options, Mike decided he had had enough. He left the job and started a full-time degree course at Thames polytechnic. "I had always wanted to do

was capable of doing it. The OU degree had proved that." After graduating with a BA honours degree in political economy from Thames Poly, Mike started a part-time mas-ters degree at Birkbeck College, part of the University of London, combining study with part-time work - some paid and some voluntary.

it and I knew by then that I

He has just completed the first year of the course at Birkbeck. Fees, books and living expenses come out of what is left of redundancy money he received from his last employer

in 1987. Since leaving insurance Mike has supplemented his savings by working part-time as a van boy's assistant, and with a few weeks work in the summer totting up marks on GCSE exam papers for the London Schools Examination Board.

After the Birkbeck course

Mike hopes to do an MPhil and possibly a PhD, storing up qualifications for his re-entry into the labour market. However, he believes that while higher education will have enhanced his job prospects, his age will continue to act as a

"I think the prospects for work are not that good because of my age. I'm nearly 47. Employers believe that older people are set in their ways and can't cope with new technology and that sort of thing. That's not necessarily true. It may take an older person slightly longer to learn if they've never seen a computer but that's about it. The benefits of age and experience don't seem to go far.

Mike would like to work full-time again. "When I have finished studying I will. I would quite like to be a lecturer, but I suppose that by that time - I'll be in my late 40s, early 50s - I'm more likely to be able to get a job back in insurance; back to writing reminder letters. I would rather not work at all than do that. I never thought it was really me, walking around with a clipboard trying to look important."

Demographic changes and a shortage of young people enter-ing the labour market may force employers to change their attitude towards older workers and there may be greater scope for career changes at any age.

"Whether or not a change in employers' attitudes will come in time for me is another thing," says Mike.

Nevertheless, he is happier as a mature student than as an insurance manager.

Whatever his choices in the labour market, he says the academic work has been worth-

"I worked for 25 years and I needed a break from the grind-stone, a break from the sheer boredom of it. I had probably got to the stage where I was unemployable. I'm happier now. I'll probably live longer."

FAMILY ISSUES

# Don't let children get you down

Gay Firth discusses a woman-shaped working life

"GET IN. Get on. Get pregnant. Get out. Get back.' Plotted on a graph, these blips form a pattern character-istic of most women's early working lives; at graduate level, between the ages of about 22 and 35.

This is not to say that the apparent slump in prospects consequent upon the third blip, is written in the stars. Every working life – a man's as well as a woman's – remains sus ceptible to choice, change and sheer luck (good or bad). Many a determined and/or desperate woman has had one, two, or more babies and managed not only to stay in paid work but actually to flourish in personal

career terms The problem is that those terms are established - wit-

Men do not have babies. Correction: they do; the word "father" is by no means redundant in the vocabulary of any culture. It is simply that men can pretend that they do not. Girls may pretend for a while ("Me? Babies? Never"). But the hiological bell rings for most of us, even if a women decides to hold out into her 30s.

Properly differentiated (as distinct from discriminatory) planning should be the norm, but precious few careers specialists, never mind students and parents, recognise this, still less accept that the best careers advice for both boys and girls would include cradlerocking along with computing ssary skills". The facts of life have not

changed much in kind, only in

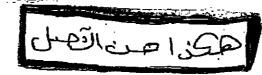
the pill has done more for women's freedom to take up professional opportunities, and extend their earning capacities, than many a bitterly fought piece of legislation in the name of equality between the sexes. Work is a unisex expecta-

tion. Women's participation in the labour force between the ages of 25 and 44 (official jargon for employment other than, for example, doing the family washing and getting the baby's lunch) rose from 52 per cent to 71 per cent between 1971 and 1988; in the EC, the highest rate after Denmark. Families in which both partners work outside the home account for 52 per cent of UK married couples with children. Even where the youngest child is under five, about a third of at least as determined as she is

shaped working life, typically, will look different from a manshaped working life. You may be having children just when your male colleagues are forging ahead. So it is important to lock early into training and promotion plans traditionally built into men's - but not always women's - career structures. You want responsibility; you are prepared to travel, you understand that if you accept part-time work to fit a growing family you will probably lose career status, salary scale, perks, promotions, pension prospects. You may never get them back

A young woman needs nego-tiating skills to work things in her tayour with her employer. Above all, she needs a pariner





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POST AND THE RE

# Going it alone

James Abbott on survival in the cut-throat world of business

dream of many, realised by a few. For callow graduates in particular, the problems involved in setting up on one's own are daunting: an academic degree is far from a guarantee of survival in the cut-throat world of business.

Yet increasing numbers of graduates are going down the self-employed road, lured by the carrot of independence.

"One thing they are absolutely clear about is that they don't want to work in a large company," says George Chadwick, dean of continuing studies at the Polytechnic of East London and a leading light in the government's Grad-

uate Enterprise Programme. This is the common characteristic of all graduate entrepreneurs, who otherwise form a very diverse group in a wide selection of small businesses.

Those who have degrees with a practical bent have an obvious head start when it comes to establishing a busi-ness, with such disciplines as engineering and computer studies producing more than their fair share of graduate entrepreneurs.

Crafts students are, almost by definition, unlikely to find a job in a large corporation that makes use of their degree directly; they will be tempted to try and make a go out of selling their own products, be they musical instruments, hand-made furniture or what-

ones braving the world of business on their own. Some who have undertaken quite abstract studies give self-employment a try: for instance, Mr Chadwick knows of two former law students who are having a shot at running their own restaurant.

This trend is on the increase, as demographic change means that more mature students with some experience of the world of work are entering higher education establishments - and these often independent spirits are more likely to have clear ideas about how they could make it on their



own than the average 21-year old graduate.

For those university and polytechnic students who have ambitions of working for themselves, the Training Agency's Graduate Enterprise Programme gives the opportunity to pick up basic business skills.

Established in Scotland in 1983 and expanded nationwide two years later, the programme runs on an annual cycle, beginning at the start of each academic year with "awareness days" in degree-awarding institutions dotted around the

Those interested in what is on offer go to a two-day workshop in the Easter vacation. where they are taught how to establish a rudimentary business plan. About 1,000 a year attend the workshops, with about one in five going on to the second phase of the pro-

This involves 20 days in the summer in which would-be self-made men and women mock up a marketing plan and learn how to draw up a cashflow forecast. The business plan sketched out at Easter is refined and made more con-

Not all who make it to the end of the programme actually set up their own businesses. Some give up for the best of reasons: the discipline of drawing up the business plan in the Graduate Enterprise Pro-

develop his prototype winch.

negotiate a sale of the patent.

kept him in the game. Mr

Chambers heard he had won

first prize in the British Petro-

Then an unexpected turn

gramme showed that their idea would not work.

One mature student who dreamed of running a travel agency was saved from a nightmare when the business plan he drew up on the course showed he would have been bankrupt within six months if he had pushed on with his idea of getting a second mortgage to

buy an agency franchise.
Some others find that their ideas would be profitable, but hardly on the J.R. Ewing scale — and decide that the stricture of the stric tures of an ordinary job would be preferable to seven-day weeks and meagre returns

while working for oneself.

For those that do press on and set up their own businesses - and the Graduate Enterprise Programme now yields about 150 a year that do - the first few years are the crucial testing time, as they are with all small business start-ups, An award scheme sponsored

by a number of major compa-nies, including STC, Price Waterhouse and the Royal Bank of Scotland, rewards those graduates with the best ideas. Last year's winners included a graduate of Glasgow School of Art who has launched a business supplying cakes decorated with company logos and other commissioned artwork; an engineering stu-dent who has launched a company to make lightweight winches for racing yachts (see accompanying story); and an up-market sandwich delivery service in Newcastle started by a business studies graduate from Middlesex Polytechnic.

ment claims the programme has achieved its stated aim of encouraging entrepreneurship among young people. Whereas in the early 1980s some 2 per cent of graduates in the US started their own business compared to 0.3 per cent in the UK, by the end of the decade many British higher education institutions were reporting take-up on the Graduate Enterprise Programme matching US

The Department of Employ-

ACCORDING to the marketing jargon in graduate literature, gaining a place on a graduate programme of a leading City investment bank was the ultimate in career development: excellent starting salary, rapid career progression, early responsibility, niche-finding through job rotation, challenge and variety.

Underneath the gloss of the brochures, behind the flashy selection and induction processes, in many cases with the appropriate involvement of senior figureheads for extra marketing credibility, the reality eventually emerges. Many graduates become the victims of a marketing game played by large companies, in which only the losers get caught. Armed with an honours

degree in international business and French from Aston University, I felt suitably equipped to join the fast track Management Development Programme of a City institution. The rigorous selection procedure served to confirm my perception of the value placed on graduate training. Once "coaxed into the pot", however, the facade of the graduate's importance within the firm soon wore thin. The scheme consisted of four job rotations over two years, culminating in a management appointment a structure frequently found among reputable graduate programmes.

During these rotations, aptly called "attachments", the graduate is "attached" to, but not completely part of, a business unit. With the Personnel Division being the cost centre for all graduates' salaries, the business unit has a tendency to view graduates as "freebies", transitory in nature and hence unworthy of any true responsibility or customer con-

During my brief encounter with a business unit I was kept suitably amused with dubious pursuits under the guise of "objectives". In the absence of any real development, I quickly became disillusioned and in spite of the huge risk factor of future unemployment, resigned.

The lack of control over my

own development process, together with the prospect of achieving very little during my two-year programme, was demotivating and demoralising. The regret felt over my resignation by my ex-employer



PERSONAL EXPERIENCE

#### Victim of a marketing game

Geetu Bharwaney discovers a rewarding path to success

was considerable; the Marketing Game costs vast amounts of time, money and effort but graduates must beware: all that glitters is not gold. It is strongly advisable to consider fully the opportunity cost of accepting a standardised "package" for management

The job-hunt process that ensued was my most trying experience to date. My initial haphazard approach, with scores of rejections, potential employers doubting my motives and the huge expense incurred in sending out numerous application forms and CVs. led me to rethink and overhaul my career strategy.

How many graduates with subject degrees, that do not naturally lend themselves to a specific profession, actually evaluate where their strengths and desires are best suited and satisfied? A critical self-evaluation process led me to seek a position in the business consultancy training field, an area to which my talents seemed best suited. I telephone more than 100 companies and my peer group, who saw no methodology in my speculative approach, criticised me severely.

In spite of frequent rejection, through sheer persistence and

tenacity I was finally recommended to TDA Consulting Group Limited, a company incorporating outplacement counselling, creative media services, competence consulting and management training and development. Although I was informed at the interview stage that TDA had never offered a development programme to a graduate, I was offered work as a support tutor working alongside an experienced trainer.

Once TDA had provided me with a first opportunity to demonstrate my competence, l was then invited to become involved in a major client assignment to further my experimental relationship with the company. By responding to the challenge and demonstrating a wider range of skills and abilities, TDA offered me the position of assistant consultant, a developmental role working across all parts of the

company on a project basis.

The development contract between TDA and myself is two-way in both its concept and execution. My learning process is entirely related to business needs and my role is clearly defined on a project-byproject basis by the directors. Projects in which I have been involved are entirely client-led

TDA are fully committed t providing me with the tools fo my development in the way c customer contact, professions sponsorship and total respons bility within an agreed io role. No limitations are bein imposed on my progress. Th atmosphere generated in medium-sized company by highly-motivated team ha allowed me to contribute a element of personal creativit to the company. I hav recently been invited to pu: chase shares in TDA whic again reinforces the two-wa

Messages for the undergrac uate are clear:

■ The best jobs are neve advertised but they can alway be created for the person tha has identified their vocations

■ Conventional graduat schemes represent a tiny pro portion of the opportunitie available and hence should no be overvalued without a tho ough investigation of their "fit" to personal needs.

■ Highly-structured develop ment programmes in a bi company environment do no suit everyone, though som may find this more formalise route to success acceptable.

**PROFILE: Chris Chambers** 

#### Not by luck alone

James Abbott meets a winning yachtsman CHRIS CHAMBERS provides a prime example of the sort of Excise were excellent," recalls Mr Chambers. "They were try-

problems which can face young entrepreneurs. In some ways he has had all the luck: winning prizes worth more than £17,000 and appear-

ing on Tomorrow's World on television with his invention. But he has also been up against it in a way familiar to many starting small businesses, with mind-numbingly long hours and a chronic lack

of capital. Mr Chambers's bright idea was conceived in his final year was conceived in his final year at Sheffield City Polytechnic, where he gained a BEng degree in mechanical engineering in the summer of last year. Having grown up on the Isle of Wight, Mr Chambers, 23, is a keen yachtsman and for his final year project degigned a final year project designed a lightweight winch for hauling

Hearing about the Graduate Enterprise Programme from a friend, he decided to attend one of the programme's

SETTING up in business on your own or going to work for a small company are unlikely to be the first options which companies and the Civil Service will be far more evident on the university "milk round" and many college careers services have only recently become aware of the possibiliing to help you as it helps ties of the smaller firm.

Also very helpful was an Yet it has been small compaallowance of £500 for market nies - particularly those research and product developemploying fewer than 20 peoment, which he used to ple – which have created most new jobs over the past decade He reached the end of the course armed with his "winwhile large organisations employing 1,000 people or more ning winch" and plenty of business theory, but where could he go from there? Lack have shed employment. A record 1,700 new companies are being set up every week in of capital seemed an insupera-Britain, according the statistics ble hurdle and despondently he of VAT registrations and this

made plans to go to the Paris Boat Show in September last year, where he intended to businesses which deregister. Not that starting up on your own will be easy. One third of new start-ups stop trading within three years and by year five half of new businesses have ceased to exist, some leum award for manufacturing because they have been sold or innovation on the Graduate Enterprise Programme merged but many because they

figure is after allowing for

bave failed to make the grade. Starting up on your own requires stamina and persistence. It also demands an ability to assess risk and to plan ahead. Unlike the manager in a large firm who will have his or her specialist area of expertise the small business owner-manager must be able to deal with the whole range of business challenges on his own - or

mentary skills. Running your own business can be lonely, particularly if you are used to the conviviality of the college environment. Your domestic partner may be able to share the burden and getting the product right, and bank managers, accountants that takes an awful lot of and chambers of commerce can provide assistance but the owner has ultimate responsi-

find a partner with comple-

It may seem scant consolation but an important advantage of starting up in business straight from university is that the entrepreneur is unlikely to have heavy commitments to a family or a mortgage so if the business does go down he should be able to bonnee back fairly quickly.

The advantages of going it alone are the satisfaction of running your own show and the knowledge that you rather than any employer are the main beneficiary of any profits the venture makes. However, few entrepreneurs are motivated mainly by a desire to be rich. Independence comes top of most league tables of moti-

If you do not want to set up in business on your own — or you want to gain some experiSMALL BUSINESSES

# onely enterprise

Starting up on your own won't be easy, says Charles Batchelor

business is likely to offer you greater responsibility at an early stage and will probably be more responsive to your suggestions than a larger, more hierarchical company.

The graduate in the smaller company may be able to exert influence on where the business is going. He may also be able to take a financial stake in the company (though smallbusiness owners can be very possessive about their busises and many large firms run share option schemes for their employees).

Among the disadvantages of

working for a small company are a lack of a formal career structure which may mean it is unclear where you are headed. Training is more likely to be informal and on-the-job than at any generally recognised institution. The small company may also place greater demands on your time and energy than a large one, where work loads can be spread over larger numbers of people.

In a family-run company your progress to the really top jobs may be blocked by family members already working in the company or by the next generation waiting to step into positions of power. Family businesses are becoming more professional in the way they manage themselves but blood ties can prove very powerful.

You may want to gain experience of a small firm but will the small company want you? Small-business owners can be suspicious of the idea of employing graduates who they may regard - often rightly as having a lot of theoretical knowledge but very little practical experience. Joining a company where the management has a university background should avoid this prob-lem but many small firms are run by people without a great deal of formal education. However, there are several programmes which place students with small firms during the long vacation.

One such scheme is the Shell Technology Enterprise Programme (STEP) which this summer placed 340 students for eight weeks with small companies. Unlike a sandwich course placement, which aims to produce a better engineer or chemist, the STEP scheme is intended to make the student more enterprising and give him or her the confidence to take decisions, change things and use initiative. It also seeks to break down mistrust



Patrick Brennan (left) and managing director Andrew Kluge

For all their inexperience. students on this programme can make an important contribution to the businesses with which they work. Three examples are:

■ Patrick Brennan, then a

third-year textile technology student from the Bolton Insti-

tute of Higher Education, last year helped Supercover (Bolton), a manufacturer of plastic rainhoods for push chairs, introduce a piece-work system for its 12-strong assembly line

Lynne Purnell, a 20-year old maths student from St And-

Velden Engineering, a Bolton based sub-contracting compan with sales of £3m, to integrat ■ Samantha Dockwray, a 19 year old psychology student a

rews University, worked wit

Sheffield University, helpe Sportswise, a Maryport, Cun bria-based manufacturer ( first-aid kits for walkers an sailors, remodel a promotion: voucher scheme so the benefit came to the company and no just to the retailer.

The Graduate Enterpris Programme helps students pr pare for setting up their ow business immediately afte graduation while, for graduates who have left universit within the previous two year but have been unable to find job, the Graduate Gateway Pro gramme provides work exper ence with a small firm. Further information: about

the Graduate Enterprise Pro gramme contact the Trainin Agency, Moorfoot, Sheffield S1 4PQ. Tel:0742 753275; fc Graduate Gateway contact Jo Centres or local career offices; for STEP contact Du ham University Busines School, Mill Hill Lane, Du: ham DH1 3LB. Tel: 091 37

Chris Chambers: a prize-winning winch

two-day Easter workshops in Huddersfield to explore the possibility of commercial exploitation of his winch. His winch weighs 18kg but can take the same loads as a con-ventional winch weighing 43kg - a significant weight-saving

for a racing yacht. **Encouragement** from staff led him to attend the Graduate Enterprise Programme's summer course. Lecturers included a hank manager, solicitor and

which meant a cash injection of £8,000. "That money was an absolute godsend," he says. Other awards followed, including £5,000 from the livery companies of the City and £600 from the Isle of Wight "Livewire" scheme. The Prince's Business Trust awarded him a £1,500 bursary

and a £5,000 loan. Just as important, he says, the Trust appointed a professional busissman as an adviser. But in spite of the awards, Mr Chambers was still short of the sort of capital he needed to produce the winch. "Manufacturing has this big hurdle of

money," he says. Thus, much of 1990 has been spent searching for capital, with every spare moment devoted to perfecting the winch - resulting in months

of 16-hour days. Based on this experience, he suggests that at the end of the Graduate Enterprise Programme there should be a marriage bureau" where those with venture capital can meet young people with ideas. He would also have wel-

comed more help on tactics. "If someone offers you £40,000 for a 49 per cent stake, should you take it? It's an incredibly difficult area, and nigh impossible to find someone who'll give you impartial help for free," he Chris Chambers is not out of

the woods yet, but the outlook vating factors. is brighter. He hopes to tie up a capital deal, and he has an order for two winches from the Italian America's Cup team. If ence of how small businesses things go well, he will set up a work before trying it yourself

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THE EUROPEANS

# The door has been opened

...But the birds seem reluctant to fly, writes Lucy Kellaway

EUROPE is your oyster. You have the right to study anywhere in the Community. You have the right to work anywhere in the Community.

If you have a professional qualification or a diploma of any sort, you will be able to use it in any of the twelve EC countries without taking more

That, at least, is the idea. The reality is rather different, and if your ambitions for the future are rooted firmly this side of the Channel, then you are not alone.

In the last few years govern-ments have done the legisla-tive spade work, and laws allowing people to move freely will be in place by 1992. Now no country can kick you out as a student if you can support yourself, thanks to a directive recently agreed.

A second measure - which comes into force at the start of next year - means that if you are, say, a qualified lawyer. vet, physiotherapist or accountant, other countries must recognise your qualification.

In addition, the Commission is doing all it can within its budget to try and encourage people to study, train and work abroad, with numerous schemes amounting to almost Ecu 1bn over the next five years. These will pay for students' and professors' move to other European universities. and will help companies in their efforts to get their employees speaking foreign tongues.

The Commission is just completing a lengthy guide of tips to students for getting work in Europe, and is embarking on an ambitious inventory which will show which countries are rich in which skills, and which have gaping needs for skilled employees.

So far, the numbers of people leaving their home country to study or work in Europe do not reflect these efforts. Only about 2 per cent of students have had any experience of

AS BIG business becomes more

international and Europe is

gripped by the twin prospects

of the post-1992 unified market

and the opening up of economies to the east, more and

more young managers are keen

to have the magic letters MBA

Deciding where to obtain the

qualification of Master of Busi-

ness Administration is no easy

task. Last year, more than

6,200 Europeans entered busi-

ness schools, around 960 of

them from West Germany.

Roughly half went to US

schools and the rest staved in

Europe. The numbers are

growing, but are still small in

comparison with the US, where

some 70,000 Americans gradu-

ate each year from business

Worldwide, around 900 busi-

ness schools offer MBAs; about

300 have international reputa-

tions. So how does the eager

and aspiring young manager set about making his or her

choice? In the sensitive, com-

petitive, and somewhat hot-

house world of business

Mr William Cox found this

out when his Frankfurt com-

published a study of the top 10

MBAs in Europe. Some which

came off less well than they

expected reacted strongly.

charging that Mr Cox was linked with one of the schools,

the Graduate School of Busi-

In fact, he was involved in

public relations work for GSBA

until 1987, when he set up his

competitiveness of admission,

how schools manage them-

selves and their finances,

schools with MBAs.

rufile feathers.

after their names.

**DECISION TIME** 

another European country, compared to a Commission target of 10 per cent. There are four main prob-

lems: language, money, hous-ing, and lack of information. Even supposing you are fluent in Portugese, and have discovered some uniquely attractive course only available in Lisbon, the chances are you will have to pay for everything yourself.

Anyway, in a place where most students live at home, finding somewhere cheap to live may not be easy.

For these reasons the vast numbers of students who study in another member state do so under the Commission's guid-

The Erasmus programme, which gives money to universities that have arranged exchange programmes with other countries, was launched 5 years ago. The scheme has taken off, with some five times as many students competing for the 35,000 odd places a year. About half of all EC universities take part in Erasmus, and many of those which do not have enough EC money to fund the schemes, top them up themselves.

Progress on job mobility is slower still.

Ever since the Treaty of Rome, people have been able to work in other countries on exactly the same terms as the locals, to set up their own businesses there. The only thing they do not have a right to do is to work for the civil service in another country. Should you, as a British citizen, have a burning desire to be a tax collector in Frankfurt, you might well find the door closed.

The Commission regularly collects statistics on movement of labour in general in the EC, and evidence is that the numbers that take advantage of this freedom are small, and seem to be shrinking. In most countries about 2 per cent of the workforce comes from other EC countries, and nearly

In search of the best

Andrew Fisher looks at MBA rankings

all of those are unskilled workers moving from the the south to the north in search of a better life.

By contrast, nobody knows how many graduates get jobs in other member states, but everywhere anecdotal evidence suggests that the number is rising, although from a very low base.

By far the easiest way to

work in the EC is with a multinational company with offices there. And as more and more European companies merge or expand into Europe, trying to keep up with 1992, the possibil-ity of qualified employees mov-

ing with them gets greater.
This European onslaught affects almost every sector, from banking and stockbrok-ing through to the big industrial groups. As a sign of greater mobility, multinational companies are becoming a common sight on the milk rounds of British universities.

Language may still be a problem, but it is one that many companies are increasingly prepared to take on themselves. Most big employers will send employees off to learn languages, or pay for courses at home.

It is far more difficult to get work abroad without a company already behind you. However this will become slightly easier for professionals after January next year, although no miracles are to be expected. Some professions - such as architects nurses and vets have been able to move around for some years (although from the number of French nurses in British hospitals one would not have guessed it).

Again there is a problem of languages, and the further problem that many professions run national closed shops.

The directives will mean your qualification must be recognised in other countries, but it does not mean either that those countries will give you a job, nor that it will be easy to set up on your own and

attract enough clients. Cultural differences do not help: a French doctor - they are notorious for handing out suppositories with everything - is not likely to get far in a

general practice in London. This means you are likely to be limited to specific cases where the UK has an obvious

talking a lot about recruiting

in Europe, but few are following up with much action.

Although a Royal Mail sur-

vey this year showed that 75

per cent of companies were

"considering" recruitment in Europe, most of the impetus is

still coming from the gradu-

Tony Raban, a careers adviser at Cambridge University.

Behind this reticence is,

among other things, fear of

the unknown and the per-

ceived complexity of the pro-

cess. ATS Quest, an enterpris-

ing British start-up firm of

European recruitment consul-

tants, is attempting to fill the gap by organising a British pavilion at continental recruit-

"We are trying to make recruitment in Europe as

straightforward as it is in the

United Kingdom," said Wil-

liam Archer, a founding part-

ner. "Companies often quote

educational, cultural and sal-

ary differentials as the reasons

they do not want to recruit in

Europe. But differences are

should be doing so." This is to

help companies build a Euro-

pean management base and

enable them to react quickly

and efficiently when new opportunities arise in Europe's

Marks and Spencer, which

has taken part in several fairs

and is helping to spearhead

the British recruitment drive

in Europe, plans to take on 25

continental graduates for per-

Like other firms, M&S began

unified market.

nanent UK posts.

THE POLYGLOTS

precisely the reason why they

ment fairs.

head start. Already Brussels and Paris are stiff with British legal and accounting firms, while in other areas, like engineering, British skills are in

Some British doctors work abroad, but almost all of those are on the Costa del Sol doling out hangover cures to pension-

ers and UK holiday makers. There is evidence that the appetite among graduates for working abroad is stimulated by any experience of studying there. Indeed a new Euro breed seem to be developing from the Erasmus programme, with many students wanting to stay in their adopted homes.

The most important changes are not legal ones, but changes in the attitudes of both employers and employees. Ten years ago you probably would not have dreamed of considering Europe. Now, the problems may seem to outweigh the benefits. But ten years from

BRITISH companies are FOREIGN RECRUITS

#### There's more talk than action

Companies are shy, says Barbara Casassus ates themselves, according to

> with the fairs. France, Belgium and Holland all host a series of these during the year, which has made them the first choice of some British firms.

M&S, which has taken stands at fairs in all three countries this year, is now moving into the next gear in its recruitment campaign by making direct contact with higher education institutions and professors. It will next turn to Germany which has had no fairs until now, says M&S store recruitment man-

ager Mike Shaw. He was struck by the quality of students at a Paris graduate recruitment fair he attended last May, and by the dedication to academic grades.

The other three UK exhibi-

tors in Paris in May - Barclays Bank, John Mowlem, and United Biscuits - had different aims. Barclays was looking for candidates for its new European management development programme, an offshoot of its UK graduate programme, and United Biscuits was fact-finding, as it does not intend to hire continental graduates until next

year. nal", said Mike Whiteley, who looks after European graduate recruitment for Barclays. "I interviewed 15 candidates on the first day and four were suitable to go on to the next

A poll in Paris of 170 graduates looking for a job in Britain showed that 55 per cent wanted to stay for two or more years, and that one in three aimed to build a career there. Sixty-two per cent said experience abroad was important for long term career prospects, and most of them were targeting the banking, finance and insurance sectors. Other favourites included the food/ drinks/tobacco, transport and communications, and retail

industries. ATS Quest will take part in eight events this academic year, including Germany's first two fairs — in Cologne (formerly West Germany) in September, and in Leipzig (for-merly East Germany) in early

As well as staging the British pavilion, it will again organise fair visits by groups of personnel officers that are interested in recruiting in Europe but have not yet decided to exhibit.

The Royal Mail survey car-

ried out in the spring revealed at four out of live Euro students are willing to work in another country and that Britain, France and Germany are the top destinations in Europe.

The survey also showed that many UK companies do not believe a brain drain is approaching despite the Royal Mail's report in 1989 that said as many as 84 per cent of British undergraduates were prepared to move abroad to work. "Our latest surveys show that many employers are not taking the brain drain' warning seriously," said Royal Mail managing Director Bill Cockburn. Most were not convinced there was a shortage of graduates and few felt there was a crisis.

The 75 per cent now thinking about recruiting from Europe said their preference was for West German and French graduates. After a year's training in the United Kingdom, some recruits would work for the company in their home country and others would be based in the UK.

The latest figures, published in the summer, indicated that 85 per cent of British students would still go abroad to work. This was more than in any

other country. Britain was a popular destination in order to improve English language skills and for career prospects, but Germany was thought to offer the best deal to business people, taking account of salary, status, quality of life and other relevant factors. Pay was not a top priority.

#### medicities 111 14 34 THE ENGE

Manchester Business School, fifth in the Cox rankings

image, how well students do after their studies, and value for money.

schools, any attempt to try and pick out the best is bound to First on Cox's list came the Rotterdam School of Management, part of Erasmus Univerpany Cox Communications sity. It scored highest on dynamism, the number and quality of lecturers, and in the way it business schools offering managed itself. It also did well in terms of value to Dutch and international companies. GSBA was third, scoring well on usefulness to companies and benefiting in the study from its attempts to attract ness Administration (GSBA) in Zurich, which came third on older students wanting to improve their strategic thinking, and the gearing of its courses more towards long-term decision making.

own firm. Initially, Cox Com-munications did some work for Manchester (5th) also shone on these points. GSBA, but has carried out Also in the Cox rankings none since. Mr Cox, a Germanwere IMD of Lausanne (2), born American, asserts his ranking was an independent effort. He intends, with the help of his wife Ingrid, to Institut Supérieur des Affaires Jouy-en-Josas, France (4), SDA Bocconi of Milan (6), Insead of Fontainbleau (7), Nijenrode – the Netherlands School of Description (8), Insead of Control of Milan (8), Insead of Fontainbleau (7), Nijenrode – the Netherlands School of The Milands (8), Insead of The Milands (9), Insead o extend this year's ranking to 30 schools, and to publish in English as well as German. Business, Brenkelen (8), IESE of Barcelona (9), and the London Business School (10). Obviously, any ranking is

subjective and will be open to In the next study, Cox Comcriticism. The Cox ranking was munications will include more based on 20 criteria, including UK schools. Most UK universithe content of courses and the ties have MBA programmes, quality of teaching, relations Mr Cox. with business, the usefulness of the degree to companies, the

Paradoxically, MBAs are not offered in Germany for legal and other reasons. "This is a missing link in our educational system." says Mr Harms Kauf- of the fitting. ...

mann, director of the new MBA Centre in Frankfurt, one of the tasks of which is to prepare students for the GMAT (Graduate Management Admission Test) set for MBA schools. The MBA Centre was formed by ESO (Euro-Schulen-Organisation), a private educational organisation. The centre does not get involved in rankings but tries to assess the suitabil-ity of particular schools and courses for students, depend-

ing on their abilities and goals. However, Mr Kaufmann says any attempt at ranking schools contributes to more clarity on the business school scene. "It's like opening the lid and looking in." Since business school courses of one to two years cost up to DM120,000, he reckons people are entitled to know more about they will be paying for.

Mr Cox believes more companies and managers will seek MBA educations, as industries become more global and employers try to develop a multicultural approach embracing different races, backgrounds, and customs. The MBA Centre, says Mr Kaufmann, has contact with 220 US business schools out of around 700, and with 25 in Europe out of 45 which offer MBA courses. Somewhere, there should be a course to suit

most ambitious, able managers

#### It's not too late to learn to 'parlez-vous'

#### There are plenty of good reasons for learning a foreign language, says Peter Miller

GRADUATES who did not read languages while at a university or polytechnic - and for whom a logarithm table may be more familiar than a declension table - may consider the later acquisition of linguistic skills to be a low priority. But salary incentives or the desire or necessity to work abroad should motivate the tongue-tied to become tongue-tried.

Finding instruction can be a problem, not because of scarcity but because of overabundance. Language schools and private tutors appear almost to outnumber jobbing builders in

the advertising listings. "The difficulty is that the industry is unregulated. There is no central registry of practitioners the way there is for lawyers or engineers," says

and membership secretary for the London-based Institute of Linguists, the body which promotes the use of modern languages and aims to improve the status of linguists working in all occupations. The Centre for Information

on Language Teaching and Research may be able to help. It sponsors conferences, maintains a library and publishes bibliographies and lists of sources, including notes on where to get programme schedules for foreign-language broadcasts. Funded by central government, the centre exists primarily to aid secondary school teachers. But it also does its best to counsel individuals and companies. It does not offer opinions about the merits

of different courses. Increasingly, training is

candidates who wish to use their new skill in business or commerce. The External Services Division of the School of Oriental and African Studies at the University of London runs courses in Japanese ranging from one week to six months' duration. These incorporate information on the organisation, customs and values of the Japanese market and use mate-rials and techniques developed by the Japan External Trade Organisation's own language

school in Tokyo. Dzidra Stipnieks, assistant course organiser, says the courses "introduce business terminology at a very early

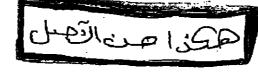
A five-day intensive course in elementary spoken Japanese with instruction from 9.30 am to 5.30 pm each day costs £535.

one after completing a MBA at the London Business School. She intends to work as a consultant in Japan and wanted a grounding in the language "to demonstrate commitment" to

potential employers.

"The emphasis on conversation is just right," she says about the short course. Try-ing to master the writing systems at the same time so that you could, say, read a newspaper, slows you down considerably. This way you get much further, faster and feel you have really accomplished something.

Whether you decide to learn language privately, at one of the commercial schools or through the services open to non-undergraduates offered by some academic institutions, it is a good idea to secure a



EUROPEAN COMMUNITY

# Channel crossing

Tim Dickson looks at the UK's Fast-Stream initiative

want to work in Europe now have a better chance of fulfilling their ambition thanks to a new scheme introduced by the UK Government.

The idea of the "European Fast-Stream" is to boost Brit-ish representation in the European Community institutions notably the European Commission - and to prepare candidates for the unfamiliar, lengthy, and generally uncertain selection process of land-

ing a Euro-job. The initiative is certainly timely given growing criticism during the past 12 months that government complacency over the relatively low proportion of British staff in Brussels risks damaging the country's interests. European civil servants admittedly have to forswear their national allegiance but as other member states such as France and Italy have consistently proved over the years it pays to have people in crucial policy-making areas who at least understand if they do not necessarily promote your point

The British are particularly poorly represented in the junior grades and that is what the new scheme intends to put right. The plan is that 30 gradnates each year will be selected through the Civil Service Commission's "Appointments in Administration" and Economists' Recruitment Scheme to ioin the so-called "fast stream" of the home civil service.

They will initially be offered a programme of relevant work experience in a government department, together with appropriate training, including coaching for the EC entry competitions and language skills if necessary. They will thus have a iob in the home civil service while waiting first to take the EC competition and then to find a suitable post.

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Success in Brussels cannot be guaranteed, selection can take up to a year and even those who do pass the tests are only placed on the so-called "reserve list" and have to lobby for a proper post. On the other hand recruits should at least benefit from proper prep-

many in terms of national

income, Italy has tended to lag

behind its European neighbours in employing foreign

The reasons lie in the appreciably different nature of its

economic structure. Italy has

relatively few giant private-sec-

tor companies, while many of

its sizeable, and often interna-

tionally-active, state-owned groups do not yet seem to have

switched on to the potential of

hiring young foreigners

Moreover, few big Italian

companies, whether privately-

or publicly-owned, can be really termed multinationals -

reducing their attractiveness

for outsiders planning an inter-

national career. Fiat, one of the

biggest groups in Italy,

remains more dependent on its

home market than do most of

There are exceptions. Pirelli, the tyres and cables group, and Olivetti, the computer and

office equipment manufac-

turer, have traditionally had a

more international profile; with production and sales cen-

With Italy abuzz with talk

about 1992 and the threat of

greater European competition, attitudes seem to be changing

fast. Cases of Italian multina-

tionals actively hiring foreign

graduates straight from univer-

sity, rather than business

school, remain few, but inter-

est is picking up.
"Big Italian companies have

realised they must have repre-

Continued from previous page

formal qualification that will

be generally recognised. A way

of doing so is to sit one of the

straight from school.

its European rivals.

tres abroad.

ALTHOUGH it ranks on a par

with the UK and trails not far

graduates.

WOULD-BE civil servants who aration, acquire the type of very serior posts (directorswork experience generally needed by the EC. Community institutions as a rule do not take people straight from university. Newcomers will receive help in overcoming the many practical problems of crossing the Channel.

> The Fast-Stream scheme is open to graduates (and undergraduates in their final year) in any discipline who hold or expect to hold a first or second class honours degree. Tradi-tionally the EC institutions have favoured lawyers and economists but following representations this year by the British government the European Commission has agreed to hold more "generalist" competitions for graduates from all backgrounds. The point is that these test aptitude rather than knowledge. The normal age limit for those taking the competitions is 35, but the line has been drawn at 33 for the UK's Fast-Stream intake.

Details of the competitions including examples of tests the selection procedure, and salaries and benefits in the EC institutions are spelt out in a well-produced booklet which can be obtained from the Civil Service Commission\*.

Besides the chance to help advance the "1992" pro-gramme, shape Community environment policy, or investi-gate monopolies and mergers some of the range of jobs are illustrated in personal profiles of satisfied "Brits" in the above publication - there is certainly much to commend in Brussels from the agreeable quality of life to the potent mix of different nationalities.

Far-sighted graduates, how-

ever, should beware of the longer term risks. Career planning in the Commission - and indeed the other Community institutions – is far less sophisticated than in Whitehall and promotion to the top jobs from within the system is fraught with difficulty. At the moment there is a whole raft of British-born Eurocrats stuck in the middle echelons of the bureaucracy frustrated because they are "stuck" and bitter at the way in which the

general in the top Al salary grade) are filled by "parachutists" from Whitehall. Many of the older hands in Brussels say the Fast-Stream is all very well but that it should be accompanied by a change in policy so that British-born candidates within the Commission are backed in the highly political and highly nationalistic

general and deputy directors-

battle for the top jobs. It would also be wrong to suggest that the UK civil service is the only route to a career in the Community institutions. Among the other possibilities worth considering is a post-graduate course in European studies, not least at the College of Europe in Bruges. The British Government is offering up to 30 bursaries for the academic year 1991 to 1992 at the College, which has a good record of getting its "alumni" into the Commission and is a profitable hunting ground for Euro management consultants and lobbyists.

Another option is the "stagiaire" scheme run by the European Commission and some of the other EC institutions, which offers in-service traineeships consisting of work attachments and training. Each "stage" - pronounce it the French way or you'll be eliminated immediately lasts three to five months and can be a way to a permanent appointment. The patronage or at least the support - of an MEP, Commissioner or senior Commission official is extremely helpful though past experience suggests that there is less demand for the unofficial British "quota" and that fewer strings therefore need to

be pulled. \* Civil Service Commission, Alencon Link, Basingstoke, Hampshire RG21 1JB. Tel: 0256 468551. Other useful contacts include The Recruitment Unit, The European Commission, 200 Rue de la Loi, Brussels 1049; The European Staffing Unit, Cabinet Office, Horse Guards Road, London SW1P 3AL; UK Committee for the College of Europe, King's College, London, Strand, London WC2R, 2LS. CALLING all engineers and computer scientists - France needs you.

The country is suffering from a desperate shortage of qualified engineers to work in research and development, and of computer scientists for software houses. "Everyone has woken up to the shortage at the same time, so if they cannot find what they need at home, they will have to start looking elsewhere," commented Jean Prevel, deputy director of the government executive recruitment agency

France is not strong in comouter hardware, but it has a large software sector that offers wide employment opportunities, even though it is having a rough time at the moment.

Mr Prevel advises graduates

with relevant degrees to send unsolicited applications. "They will not only receive a reply, but perhaps a return plane ticket as well," he declared. Another plus for new gradu-ates is that they traditionally account for about 23 per cent of French companies' annual intake of executives, which is more than any other of

YOU CAN sum up the chances of coming to work in the United States in two words, "Good luck." "No way," will also do. Or in the words of a State Department official, "Virtually impossible."

Due to restrictive laws, it is best to have a job waiting for you, say, as a trainee for a multinational corporation. Do not expect to arrive on a tourist visa and be hired on the spot

But with a little perseverance, hard work and connections on your side of the Atlantic, you could find yourelf working on New York's Wall Street, or on your way to the studios of Hollywood. In the American way of

doing business, it's "work hard, play hard" - as differ-ent from Britain as a rowdy baseball stadium is from Lord's cricket ground.

"In the States, we take work more seriously," says a man who has worked for British and American firms in the US. In the UK, he says, work is more a means to an end. In America, it's life. You had better be an early

riser because in the US work often begins over a 7am breakfast meeting and the ball gets

# Many on the wanted list

Europe's major economies, and is at the other extreme end from Germany. "Experienced executives are in much stronger demand than graduates

there." Mr Prevel explained.

Apart from trying to fill the gap for those specific sectors, talk about recruiting overseas is still way ahead of action.
"Although many say they intend to look abroad for executives, only a few are actually doing so at he moment," Mr Prevel said.

There are exceptions however. The Banque Indosuez, which has 80 per cent of its staff working outside France, launched an international graduate recruitment pro-gramme 18 months ago. Right have been taken on so far from the US, United Kingdom and Sweden, according to David Grove, head of the bank's graduate recruitment. "Nationality is no longer important," he commented.
"We are looking at the recruitment on a worldwide basis." The number of foreigners working in France has quadrupled over the past year to about 50 out of 2,500.

Chemicals group Rhone-Poulenc, which now generates more than 70 per cent of sales overseas, set up a training scheme for young foreign executives about three years ago. This means four months in France learning the language and the culture, and then taking up one post in France and another in a third country before returning home. About 20 recruits have been drawn from the US, Japan, Korea, Germany, Holland, Belgium, Spain and Brazil. The group has no policy to recruit abroad for its operations in France. 'We need executives with international experience, and select them primarily on their competence to do the job," said Andre Ricard, head of recruit-

ment and training. Computer manufacturer Bull

has recruited abroad for a long time, but has accelerated the pace over the past two years. Since 1989 the group took on 800 employees in France, of whom more than 100 are foreign, said Personnel Director René Bannier.

in contrast, the food group BSN leaves recruitment to local operations overseas, and therefore has no need to employ foreigners in France, a spokesman said.

As for corporate culture, the French formality is starting to break down in some companies, but shaking hands with colleagues, and addressing them by the formal "vous" instead of "tu" remains common practice. It can also take a while to be on first name

One habit foreigners some times find difficult is the constant round of meetings. "The French will spend hours discussing an issue, and do not seem to mind if no decision is

reached," commented an American working for a large manufacturer. "The problem is that it will then take a long time to fix another meeting, as everyone has so many meetings in their diaries already." Even French executives can find the habit frustrating. "We suffer from a disease called 'meetingitis'." one manager said.

On the other hand, holidays take a higher priority bere, and will sometimes be taken regardless of a momentous event occurring. The American-style business breakfast is not unknown here, but it has certainly not supplanted lunch for enhancing customer relations. Lunchtime is shorter, however, and will not be accompanied by as much wine as in the past.

More generally, executive recruitment is expected to grow faster than the average increase in France, Italy, Holland and Belgium up until the end of this year, according to APEC's second annual European survey of employment patterns and intentions, published last week.

Barbara Casassus

find work, say as a domestic

or a waiter, and be paid in

That way, you do not show

for official and proper work

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employer takes full responsi-

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But it's pretty tough to

prove a waiter is indispensable

and few owners of grocery

stores or boutiques will go out

sands of American young peo-

ple who can be hired with no

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eash "off the books".

**UNITED STATES** 

#### What you know is crucial

rolling by 8am. Indeed, American executives also work late - 12- or 13-hour days are the rule more than the exception. Lunch is often at the desk with sandwiches and mineral water. No three martinis, or pints of lager here. In fact. drinking alcohol during the day and meeting the pals at

the pub is looked down upon. Here one is more likely to play a game of squash during lunch, discussing corporate strategy between serves.

For women, the US can provide a far more hospitable environment. While limitations still exist, women have far more opportunities than in the UK to move up the corporate ladder, says a British woman working in New York. She adds that women here dress more formally for work

in suits and heels. Women call it a uniform, and indeed it is. Relations with your boss are less formal with even secretaries on a first-name basis

But there is a down side. Vacations are generally shorter, two weeks for new employees. Benefits such as health insurance are often deducted from pay, salary increases and bonuses may not be guaranteed and maternity pay is rarely longer than six weeks.

Getting permission to work in the States may depend more on what you know, rather than who you know.

According to the State Department, US work permits are actually immigration visas which are given out to those with close relatives already in the country legally and are very hard to come by. There are quotas and restrictions as long as your arm.

But people with unusual qualifications do stand a chance. For instance, if you were the only graduate your year in an obscure branch of quantum physics, or the star player on your university football squad, you may be able to

up in your employer's legal records and he does not need to pay various taxes and insurance premiums required for all get working papers. In that case you would most likely have a special and high-Many hope their employers ly-coveted H Visa or J Visa for will eventually sponsor them

or for persons of "exceptional ability" such as actors, athletes or scientists needed for a specific job. Nannies or au pairs who live with a family may also be included in this category. Information on these visas is available from the US

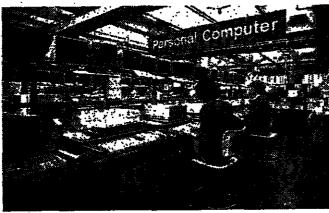
teaching, lecturing, training

Information Agency. But for the vast majority, finding legal employment will be far more difficult.
The US Immigration and

Naturalization Service uses the word "deportation" when discussing foreigners seeking work in America. For example, if you are caught working on a travel visa, you could be deported. If you are here on a student visa and work without the approval of your host American university, you could be deported. One way to circumvent these harsh regulations is to

will, there's a way. **Judith Schoolman** 

#### Attitudes seem to be changing fast



Olivetti factory: a more international profile

sentatives of more nations in their management," says Eliza-beth Mitchell of the European Business School in Parma. Although slow at the start, "they are moving faster now" she thinks.

Even if Italy's biggest com-panies are still behind some of their European competitors, there are always the leading US multinationals such as Procter & Gamble, IBM Italia and Citicorp.

Big US multinationals are well established in Italy. So for the graduate who fancies spending some of his or her working career in Italy, these may offer an easier point of entry than indigenous groups. Legitimacy will not be a problem for European Community citizens, but even they must prepare themselves for the trying test of Italian

bureaucracy while they get

their documents straight. All the more reason to have a reasonable command of the language - probably the basic requirement for any graduate thinking of working in Italy. While some multinationals, particularly banks and consultants, may use English as their lingua franca, a command of English is much less widespread than might be expected, especially among older genera-

tilingual engineer might be more likely to take charge of a job abroad, thereby getting a higher profile within the company and be more quickly in line for promotion.

in the European languages are

ate. "I think that's possible if you became very good indeed,' says Sarah Burton. "What does it cost to become very good indeed? A great deal of blood, sweat and tears. And time." Further information: Institute of Linguists, 24a High-bury Grove N5 2RA, telephone 071-359 7445; Centre for Information on Language Teaching and Research, Regent's College, Inner Circle, Regent's Park NWI 4NS, telephone 071-486 8221; SOAS, Thorn-

haugh Street, Russell Square

tion managers. Certainly it is hard to imagine a graduate unsolicited application to an Italian company without at least a modicum of language skills. And irrespective of their linguistic abilities, women may find themselves at a disadvantage. Italian management remains very male-dominated.

atmosphere than they might expect in many other Euronew ideas and accept improvisation.

But anyone expecting to be treated on a first-name basis from the outset will be disap-pointed. Relationships in Italian companies can be more formal than expected - although admittedly never as stiff as in Germany. And management by shouting is by no means unknown in a big Italian office.

model softened by Latin polite-ness," says Luigi Tava, direc-tor of the MBA programme at Milan's Bocconi University, ian Oxbridge for economics

Hours can also be taxing, at least in the north, which seems to have adopted the north European business habit of starting early and the Mediterranean attitude of finishing late. "That can be a problem, especially for the Germans. who are used to a much more fixed working day," says Pro-fessor Carlo Secchi, chairman of the Bocconi's international relations committee.

Whether the extended day worked by some northern Italians is actually productive, is another matter, but newcomers should not be surprised if they are expected to work long hours. At least holidays tend to be more generous than in the Apart from some knowledge of Italian, a keen intuition is probably the most important asset for any aspiring for-eigner. Italian businesses tend

owners or main shareholders. A manager not immediately GERMANY

# Openings for foreigners are rare

"global" manager may be a much-vaunted concept, but he (let alone she) is in practice remarkably little in evidence. "The recruiting process is still very far from being international," says Mr Joe Defregger at headhunters Korn Ferry International in Frankfurt.

Foreign graduates with a

desire to work in Germany will

have to hunt quite carefully for a range of suitable openings. To begin with, given the overall size of the German economy, there are surprisingly few really multinational firms. The existing ones have arguably been slower than Anglo-Saxon companies to decentralise and let the farther reaches of their empire develop into local, rather than transplanted German, operations. Only relatively recently have a handful of the elite blue-chip German companies begun to

management positions abroad. Equally, a number of firms complain that potential employees are themselves insufficiently mobile and adaptable. Siemens, for example, complains it cannot attract and keep - nearly as many foreign graduates as it would like to.

stress the importance of culti-

vating foreign talent for top

A Siemens official recalls one advertising campaign in England through which the electronics multinational hired 40 software developers to move to Munich. After two years all had gone back to England "because they missed their pubs", the Siemens official laments, adding that the new recruits had liked both their jobs and their salaries but could not get used to the "beer-garden culture." (And Munich s easily one of the most attractive cities in Germany.) He notes that all concerned got handsome job offers elsewhere on their return.

The financial services indusbry is one sector at the forefront of a more international recruitment drive. Deutsche Bank, Germany's biggest bank, has since 1987 consciously refocused its international banking training programme - a project fostered by the late Alfred Herrhausen, its energetic and outward-looking chief execu-

"We hardly distinguish any more [between Germans and non-Germans]." says Mr Chrisoph Will from the personal lepartment at Deutsche Bank m Frankfurt. About a third of the 200-odd trainees selected



Deutsche Bank: refocused its international training programme

group management trainee programme come from schools outside Germany. Meanwhile, campus recruit-

ing tends to be done locally at least as far as Deutsche Bank is concerned. English graduates, for instance, will start their 12- to 18-month training programme in London, with a six-month stint at the Frankfurt head office. But this by no means determines a return to London when they are qualified.

Mr Will cites as not atypical a French graduate who trained for a year in the UK with a spell afterwards in Frankfurt who is now qualified and working in the bank's Italian sub-sidiary.

Linguistic ability in Germany is pretty much taken for will be assumed to speak a second and probably a third language more or less fluently. Consequently foreigners stum-

bling over their German can

generally expect to get short

Deutsche, for instance, will want candidates to be able to cope with the Frankfurt part of the course without much prior help from their new employer. Meanwhile, foreign students

should be prepared to find their German contemporaries considerably older - not leaving university at least until their mid-20s - and with a good deal of job-related studying under their belt.

In many conservative German industrial firms it is still inconceivable that aspiring managers should not have

lawyers and business studies graduates are also better understood in the banking world. Dresdner Bank, the second largest German bank. which is also beginning to recruit more actively overseas, says: "It may be irrelevant to a Barclays Bank what their graduates have studied, but we are quite keen to see candidates who have studied something connected with banking."

In general, the attractions of working in Germany are considerable - particularly given the gradual opening of eastern Europe, a turn of events for which the country is clearly geographically and culturally deally placed.

All the same, graduates considering Germany should be advised that the local business environment has its quirks, and may require some efforts

Considerable patience and a willingness to abide by apparently idiotic rules are necessary in many departments of German life, and business is no exception. Innovation and flair can be treated with distinct

Ambitious students will find that age and seniority are still more closely linked in a German firm than a smooth talking personnel officer will

have them believe. Again, the formality of German office life can be off-putting. A first name is virtually superfluous in this country, everyone being addressed. even after years of acquaintance, as Herr Robinson or Frau Campbell. And the stiffness often goes well beyond mere appellations.

Another thing to bear in mind is that your new German employer will probably assume he is hiring for life. Even at Deutsche Bank, Mr Will says that 80-90 per cent of the top jobs are filled from inside why should you leave the bank with those prospects?" is his question.

Last but not least (as the Germans are fond of saying) prospects for women, while improving, lag far behind those in the UK, let alone America. A surprisingly high proportion of women do not work at all (cynics would say because catching the shops open is a full-time occupation) and German businessmen occasionally demonstrate only too clearly how unused they are to coping with women in senior positions.

examinations administered by the Institute of Linguists. A oass leads to a preliminary, general or advanced certificate or to an intermediate diploma. depending on the degree of difficulty. There is also a diploma in languages for international

communication which the Institute views as a professional examination at a standard of proficiency comparable to that expected in a UK Honours degree. Examinations are routinely set for 19 languages, and can be arranged for less commonly taught languages, according to demand. Would-be polygiot graduates

can take encouragement from the fact that some employers are keen to assist them. Ove Arup, the consulting engineers partnership, for example, has a standing policy of reinbursing personnel for any fees paid out guage training and financial for language courses Roger gain by rewarding in hard cash

Arup, has a central budget of £11,000 for the purpose and says: "We believe it is important that our people have some facility in a language other than their own. We want to encourage them. We are trying to create awareness in the firm that this is an important aspect of working in engineering. We've been in Europe for some time and have a number of continental clients."

Work groups within the partnership have also banded together to fund their own tutorials during office hours in French, German, Spanish and Italian. The company sponsors a £750 bursary for engineering students who are learning a language while at university, and makes a point of sending mechanical and electrical engineering graduate trainees on short secondments to foreign

Ove Arup does not make a one-to-one correspondence between "extra-curricular" lan-

They are not alone. Many companies with international operations feel it is in their interest to encourage foreign language proficiency. Courses common, but sometimes more difficult languages are taught.
Elsewhere, the pecuniary
pay-off may be more immedi-

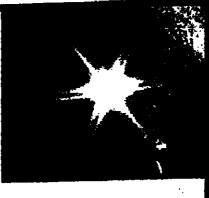
Once employed, foreigners can expect a more open-minded, civilised working pean countries. Hierarchies are less obvious, and there is a greater readiness to listen to

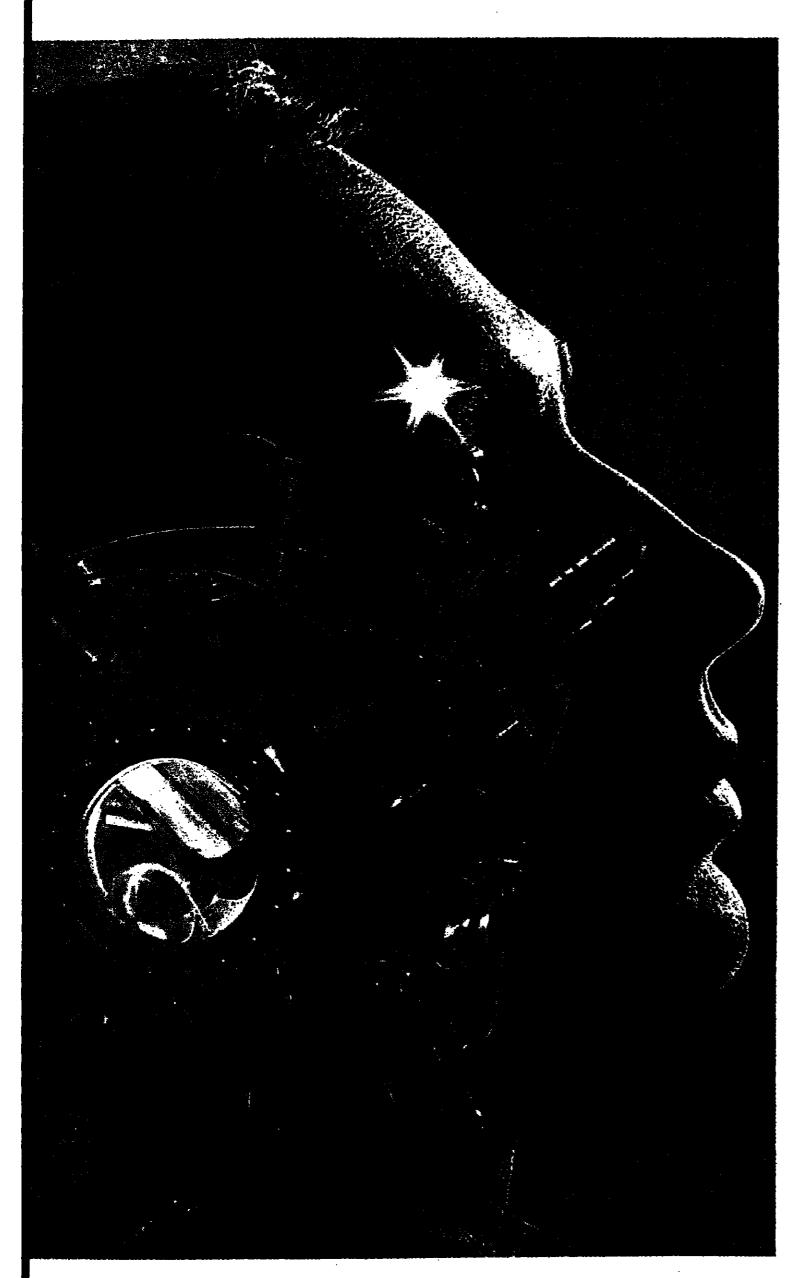
The style is "The German which is something of an Ital-

and business studies.

UK, with five weeks the norm. to be highly personalised, and even the biggest companies are generally identified with their

responsible for a given area can carry a lot of weight perhaps because he used to run the department before, or has a close personal link with the person now in charge. And in Italy's abundant small-and-medium-sized family-owned concerns, outsiders should never forget that it is the family which ultimately calls the





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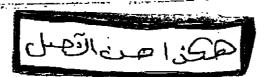
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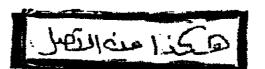
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COMPREHENSIVE A - Z GUIDE TO GRADUATE OPPORTUNITIES



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Graduates all: 125 people (picture left)

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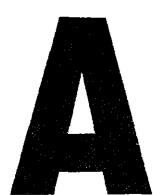


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**ACCOUNTANCY** 

#### **Passport** to job mobility

IN NO other country in the world does the accountancy profession exercise such an allure over the student population. In the US, bright graduates may aspire to be lawyers, and in West Germany they may set about becoming engineers, but in the UK, they decide in their thousands to become accountants.

Estimates vary about the total number of students going into the profession this year, but it is likely somewhere between one tenth and one sixth of all graduates will opt for a job in accountancy. Even those doing the recruiting scratch their heads and wonder whether this can be good for the country.

For most people, the attraction of any type of accountancy job lies less in the work itself than in the qualification gained after several years of study. The possession of such a qualification is a passport to job mobility and provides a guarantee of financial security for the rest of your life.

The early years are hard, but those willing to stay for the long haul can find a genuine pay-off. After earning a professional qualification, the opportunities blossom.

However, they do not blossom equally for everyone. Only the accomplished will be able to name their jobs; most others will simply be offered better paying jobs in accountancy and general finance. It is unwise to regard accountancy as a passport to top management.

In the short term, those contemplating applying for accountancy jobs should ask themselves some very basic questions, the most important of which is: do I really know what a trainee accountant does? Having established the answer, you must ask yourself: am I absolutely certain I am suited for it?

There are several types of accountants, but roughly the division is between those who work in the profession (such as chartered accountants) and those who are in industry or the public sector.

to make your living by doing audits, while in industry you get involved in all aspects of financial management. In the former, you will be employed by an accountancy firm, large, medium or small; in industry. the typical employer would be a large company. The work will differ markedly, as will the content and structure of your professional training.

In the early years, the job itself is likely to be tedious, unchallenging intellectually after undergraduate life. Combine that with the pressure of studying for exams in your own time, and it is not surprising that many people either give up in despair or stick it out in a state of great personal unhappiness.

A typical day's auditing in one's first year may involve finding a client's cash book and cross-referencing entries to a bank-statement. There may be a bit of photocopying as well, not to mention making coffee and collecting the partner's sandwiches. In the second year, you may take responsibility for planning who and how many people will look at the cash book and do the photocopying.

People with a natural grasp

of numbers, and understanding partners, are in the best position to emerge at the end of the qualifying period with their sanity and social life intact. Those with engineering degrees do not tend to complain, but graduates in English or French do.

Although the job of accounting and auditing may be tedious, fellow trainees and your superiors are likely to be young and intelligent. More than half the 6,427 graduates who started to train as chartered accountants last year had first class or upper second degrees. Many trainer warm to the camaraderie and the team spirit, made all the more intense because of an "all in it together" mentality. Careers tend to be highly structured so that you will not be left to flounder on your own. Also, salaries rise very quickly. Most of those who go into

the profession do so because they wish to postpone decisions about the rest of their working lives until qualification, while those who go into industry straight from university probably have a much better idea of what they want to do and what they are letting themselves in for.

Rather than mindlessly oining the crowd, the best bet is to get some experience of the work you would end up doing before taking a job. There are many schemes



One in 10 UK graduates opt to become accountants but each must ask; am I absolutely certain I want to be one?

to the individual accountancy firms and recruiters, for more details. Further information: The Institute of Chartered

Accountants in England & Wales: PO Box 433, Moorgate Place. London EC2P 2BJ: Chartered Institute of Management Accountants, Education and Training Department, 63 Portland Place, London W1N 4AB; Chartered Institute of Public Finance and Accountancy, 3 Robert St, London WC2N 6BH; Institute of Chartered Accountants of Scotland, 27 Queen St, Edinburgh EH2 1LA; Chartered Association of Lincoln's Inn Fields, London WC2A 3EE; Institute of Chartered Accountants in Ireland, 87-89 Pembroke Rd, Dublin.

**David Waller** Six ways to avoid a culture shock

IT USED to be said that you could walk from Cambridge to Oxford without stepping off land belonging to the two St John's colleges. It is now almost – possible to say the same thing about London, except that the landowners in this case are buildings housing branches of large accountancy firms.

The accountants are everywhere. After a decade of unprecedented expansion, the very biggest of the firms are now multinational organisations, employing tens of thousands of people across the UK and continental Europe. They do everything, from straightforward auditing to exotic forms of management

consultancy.
The big firms exert a big pull over the UK's student population. Graduates of all disciplines are attracted by the idea of qualifying as chartered accountants while working within a "brand-name" firm, the mere mention of which in later life ought to be a badge of quality and guarantor of above-average earnings.

After a spate of merger activity last year, there are now six big international

firms, distinguished from their not-so-small competitors by their commitment to serving large, multinational clients. The biggest is Coopers & Lybrand Deloitte, with a UK fee income of £531m last year: the smallest Arthur Andersen. with fees of more than £200m in the year to August.

The would-be chartered accountant signs a three-year contract. He or she has to pass three sets of flendishly demanding professional exams, while taking on ever greater responsibility for the sort of work which generates fees for the partners who own the firm. Average starting pay for 1990-91 seems to be £12,500 in London and £9,500 in the provinces.

To the uninitiated, the big six are difficult to tell apart. Go for an interview at any of these huge organisations, and a polished recruitment professional will tell you that only in his firm is it possible to audit lots of big companies, pass your exams first time, and enjoy yourself in the company of interesting people

to boot. In fact, the firms all have distinct characters of their own, different "corporate cultures". Knowing something shout the neculiarities of the individual firms could help you make a better-informed choice than if you took the recruitment professional's word for it. It could also mean the difference between abject misery for three years, and quite a good time.

Here is an informal guide to the Big Six. The aim is to identify a couple of adjectives to describe each firm's culture, and then to suggest a line of inquiry which you could pursue at interview. Coopers & Lybrand Deloitte, formed earlier this year out of the merger of Coopers & Lybrand and Deloitte Haskins & Sells; could be described as big and aggressive. Under senior partner Brandon Gough, the firm has pursued aggressively the top slot in the UK market. Try to find out what it is really like to be a tiny fish in an ocean of more than 8,000 staff.

KPMG Peat Marwick McLintock is also aggressive, and it is commercial. With 7,500 staff, it is not too small either. Being auditor to the Royal Family, it has a reputation for being crammed full of ex-public school boys, but Colin Sharman, head of the consulting division and

a grammar school boy himself, says that it is meritocratic and that the firm embraces "a cult of the individual". Ask what that means. ■ Ernst & Young, formed last year out of Ernst & Whinney

and Arthur Young, reaped dividends for putting its merger together before anyone else's, with a minimum of fuss. It is well-managed and has an impressive portfolio of clients. as well as a fast expanding practice in the Eastern bloc. Ask about opportunities for Polish and Hungarian-

speakers.

Price Waterhouse is a name that has been virtually synonymous with the accountancy profession in the UK for a century or more. Rightly or wrongly, it failed to put together a merger with Arthur Andersen last year, and slipped down the league table as a result. It still has a superb collection of clients, a reputation for arrogance. and a sense of humour. Some of the nicest people in the business: ask about the staff swimming-pool at head office. ■ Touche Ross has recently

jumped up the league, displacing Arthur Andersen as number five in the summer as a result of a merger with Spicer & Oppenheim, formerly one of the top medium-sized firms. This was a coup for Mr John Roques, the recentlyappointed managing partner, and did something to salvage a reputation damaged last year when the firm failed to merge with Deloitte, partners in which preferred to be swallowed up by Coopers. Ask whether you will have to work

too hard: Touche merged with Deloitte elsewhere in the world, and a lot of Deloitte business has been referred to Touche in the UK as a result. Arthur Andersen is probably the most intensively-managed professional service business in the world, and comes the closest to being "one firm" around the world, despite a structural fissure between its extremely successful consulting side and its auditing business. American in style, a Calvinist work ethic prevails. The writer of this

article worked there for a year and found it unbearable: others find the atmosphere extremely stimulating and can never tear can be taken via themselves away. The firm is different: ask what makes

Happy hunting! **David Waller** 

Your indecision need not be final

broadly into the following

accounts (which includes a

range of tasks, from simply

preparing accounts and budgets, to analysing what

the figures mean); internal

planning, and treasury

management.

audit; systems work; strategic

The early years - perhaps the first two - will involve a significant ratio of drudgery.

The work one will do is at that

stage inclined to be technical

and clerical in nature; as one

goes up the organisation, the

technical content of the job

will diminish and general

management responsibilities

assume more importance.

Jobs are on offer from

all sectors, from heavy

manufacturing to light

the proportion of

numerous UK companies in

engineering and publishing.

exclusively towards graduates:

school-leavers training for the

CIMA qualification is much

as well as some public sector

organisations - offer training

Such companies tend to have

numerous subsidiaries and

the trainee would find him or

herself working in a succession

of different businesses, at the

same time as working through

Under such a scheme, the

aim would be to become the

finance manager - even the

finance director - of one of

the subsidiaries or business

units, after three to four years,

which is about the same sort

of time that it takes to qualify

as a chartered accountant.

History shows that the

opening pay for these scheme tends to better the starting

salaries for those joining the big firms (£9,500 to £12,500 for

those beginning work in the

premium is eroded over the

management accountant can

choose to work in whatever

industry he or she likes, and

But there are few - if any

glamorous City jobs going,

for example in stock-broking or corporate finance.

That reflects the fact that

the training concentrates on

interpretation of figures for

rather than on the so-called

financial accounts published

delectation of external users

Making the switch from

As time goes on, the

demonstrate to peers and

playing a purely technical role to being a general business nanager, is a function of time - and character.

management accountant will

have plenty of opportunity to

such as analysts and financial

internal management use,

the preparation and

by companies for the

journalists.

autumn), although that

next few years. Once qualified, the

in whatever country:

transferable.

accounting skills are very

a succession of different

technical disciplines.

higher than for the ACA. Big blue-chip companies

schemes tailor-made for

graduates.

Not all of these are pitched

categories: management

THE great virtue of opting for a training contract with an accountancy firm is that you can defer for at least three or four years taking decisions on precisely what sort of

business career you would like. By the end of that time, the theory goes, your job as an auditor will have exposed you to so many different businesses, of varying sizes and in a multiplicity of sectors, that you will be well placed to sort out what to do next.

Many - if not most -newly-qualified chartered accountants do not, of course, opt to stay in the profession. They flock to the City or go into industry where tens of thousands of chartered accountants have gone before.

For those students who do not wish to put off the decision for three or four years, and have a good idea what they want to do from the outset there is another route into industry: to train as a management accountant

This is a very different kettle of fish from a job in an accountancy firm. One does not float from client to client, assessing whether their accounts are "true and fair". The trainee management accountant is - in the early stages of a career at least • responsible for preparing those accounts.

If the type of work differs from that done in the profession, so does the training. In essence, training in industry is less formal and less structured than at an accounting firm. Companies organise it as they see fit: there is no broad pattern as there is among accounting firms. The aim is to qualify as a

member of the Chartered Institute of Management Accountants, which requires one to pass four sets of exams, and to accumulate a minimum of three years of relevant experience. The examinations

correspondence courses, or by day-release it is up to the employer. The sort of work that the

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#### Last laugh for the figure fanatics

**ACTUARIAL SCIENCE** 

AN ACTUARY, the saying goes, is someone who found accountancy too exciting. But Britain's 3,400 qualified actuaries are apparently having the last laugh. Not only is this one of the UK's best paid professions — the newly qualified actuary can expect to make comfortably more than £30,000 a year - but actuaries also now occupy some of the most powerful

positions in the City.
The actuary's basic task is to use the mathematics of probability and statistics to manage insurance companies and pension schemes. But the role of actuaries has developed beyond that: they manage some of the City's largest investment funds and run multinational financial institutions.

The profession is still expanding fast. Five years ago, the London-based Institute of Actuaries calculated that by 1995 demand for actuaries would grow by 60 per cent. That forecast still holds. In the two areas where actuaries still reign supreme - pensions and life assurance -a flood of new government legislation and the challenge of the European integration have all made new work for the profession. Last year, there were 439 new actuarial trainces in England and Wales, and that number is expected to rise by 10 per cent annually. Although as many as 80 per

cent of graduate actuarial trainees have pure mathematics degrees, an actuary does not need one. "For most people in the profession, A-level mathematics is probably adequate," says Mr John Waugh of the Institute of Actuaries' Oxford-based education service. Although most employers still expect their trainees to have studied a science-based subject at university, some will look at arts graduates, too.

These days the job of an actuary involves strategic management, marketing, or even planning mergers and acquisitions for foreign expansion. An actuary might well be asked to analyse a new project, like building up a network of estate agencies as a sales channel, to assess just how profitable it would be and to estimate potential profits. In the words of Mr Bob Parfett, who is the assistant manager responsible for actuarial training at Pearl Assurance: These days we can all produce lots of numbers out of a computer at the drop of a hat. The important thing is to be able to interpret them. And the actuary also needs to be a good communicator, so that he can explain his findings to non-actuaries.'

Nobody contemplating a career as an actuary should underestimate the hard work required. Most employers expect at least an upper second-class honours degree. and some aspiring actuaries also go on to take the post-graduate degrees in actuarial science offered at the City University in London, the London School of Economics, and Heriot-Watt University in Edinburgh. But the stiffest challenge is to pass the challenging professional examinations set by the Institute of Actuaries and by its counterpart in Scotland, the Faculty of Actuaries. Eighteen months is the shortest time anybody has ever taken to complete the examination but seven years is still the average required for students to pass the Institute's 24 compulsors examination papers. Each lasts three hours and covers topics ranging from the hard core mathematical subjects to pension fund planning and

pension rung planting and management.

Employers do try to help smooth the path of the trainee, for example, by offering generous study leave. At Clay & Partners, for instance, one of the UK's leading firms of consulting actuaries, trainees consulting actuaries, trainees are expected to finish their examinations in between three and five years, but they receive one day of study leave each week. However, most employers will also expect their trainees to be earning their keep very soon after they arrive, and the work load can be quite heavy.

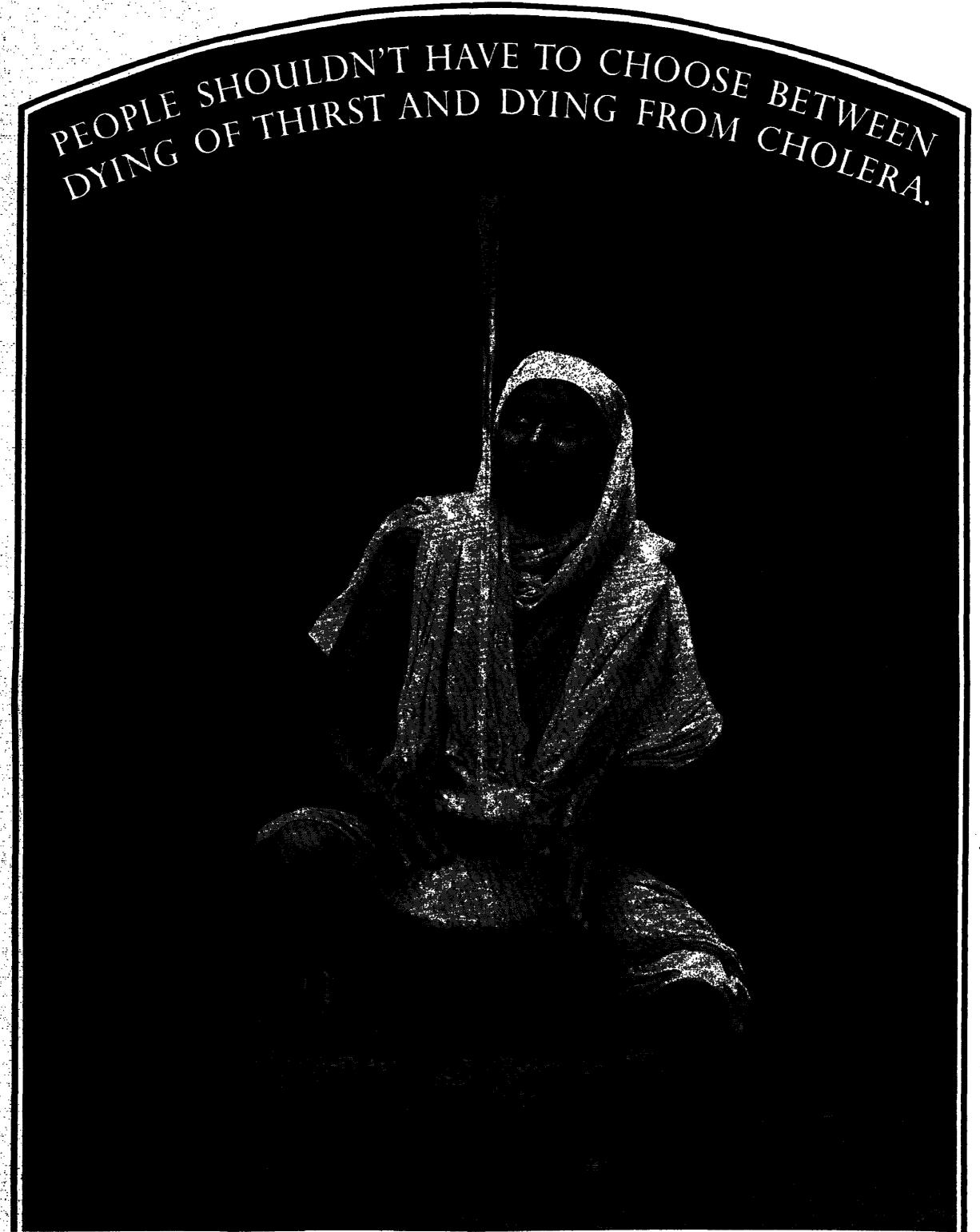
the job, it remains a very attractive one. The average starting salary for most actuarial trainees is about £14.000. Further information: Institute of Actuaries Actuarial **Education Service, Napier** House, 4 Worcester Street,

Oxford OX1 2AW: Faculty of

In spite of the demands of

superiors that he or she is more of a manager than an accountant. The CIMA qualification is not as glamorous as the ACA, but that has not stopped Michael Checkland becoming director-general of the BBC, or Allen Sheppard becoming







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figure

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Over a million people die from cholera and typhoid every year, both diseases contracted by drinking infected water. But now ICI is working on an advanced



water filter so fine it will be able to trap the bacteria responsible. Which should help provide the developing world with more water that gives life instead of taking it.



World Problems

World Solutions

World Class

**ACTING** 

## Where the going gets tougher each year

ACTING imposes fewer conditions on its acolytes than any other vocational career. No rules apply about prowess — physical or mental; size; appearance; intellect or academic qualifications.

More than religion, more than medicine, more than law, acting is the calling par excellence where the call is all; and nobody contradicts you if you call yourself an actor the day you leave school.

That is the trouble. As Peter Plouviez, the worried general secretary of Equity, points out, the actors' union is two and a half times the size it was just over 20 years ago (18,000 membership in 1969, 46,000 now) "and the amount of work has not grown".

But since the membership of Equity is related to work experience — not even drama school graduates get membership without a job in the first place — does not that suggest that work is plentiful, at least in the early part of a

career?
Mr Plouviez agrees, albeit
with a certain irony. "Young
actors earn better in the first
two or three years than
subsequently.

subsequently.

"Just out of drama school, they're likely to go into provincial rep, and they're quite popular as good-looking young people at a low weekly salary." This is a regular pattern. "It's not so bad at the start; it's very, very bad when you try and earn more and you stay in London, do one or two jobs on TV. Often you earn much less."

There is no longer a closed shop. The aspirant Thespian can form his own group with like-minded hopefuls wherever a space can be found. London is full of fringe groups in rooms over pubs as an increasing number of enterprising young actors decide to make their own opportunities. "Hundreds come

straight from the street into acting," sighs Mr Plouviez. However, a quota system regulates newcomers to established repertory companies. A repertory company can take only one

completely untrained beginner.
But the days when success with the Oxford University Drama Society or Cambridge Footlights meant an automatic entrée to the highest reaches of the profession are gone.
Says Siobhan Bracke, casting director of the Royal Shakespeare Company: "The university actor hasn't usually had as good a training as drama school gives — he knows less about movement, body or voice." Most schools now offer post-graduate

courses for the older entrant.

Besides technique, the drama school offers practical know-how in contacting agents and directors. The regional drama schools make a point of mounting showcase productions in London for senior students. Practical teaching ensures that the bread-and-butter jobs can be tackled – riding, fencing, the basics of film and TV work. Illusions soon give way to the realisation that Olivier's fame and Caine's fortune are less important objectives than simply staying in work, from TV commercials to West End

Indeed, the RSC is disturbed at the "alarming number" of young actors who have not worked on classical texts; another sign of the TV/Light Entertainment orientation that is accompanying the depletion of the provincial rep, once the backbone, and pride, of the British theatre.

Once in the profession, the actor can find specialised categories: recent success stories include Tara Arts (Asian actors), Black Mime, and Graeae (handicapped performers).

But the sexual composition of Equity membership — 52 per cent male to 48 female — is misleadingly optimistic over women's opportunities. The notorious paucity of good roles for women between the stages of *ingénue* and harridan, Ophelia and Lady Macbeth, means frequent retirement for a decade in one's thirties and (if lucky) emergence as a tougher character actress in middle age.

Shakespeare regrettably leads the way with four or five times as many male characters in his plays as female, and modern writers are only just beginning to do better.

Ethnic minorities find casting is colour-blind to the point of positive discrimination: one eminent Shakespearian was dissuaded from Othello not so long ago by black activists.

Critics who carp, from naturalistic criteria, at, for example, black nobles in 11th Century Scotland, are branded as racist. As the recent American Equity débacle over Miss Saigon proved, race issues are hideously sensitive, leading to confusion and bitterness. Black or Asian actors often blame discrimination for unemployment, but a glance at their white counterparts would suggest this is unrealistic.

Equity reminds us what direction the theatrical course usually takes. "There's a huge crossover from the profession after about nine years — or when you can't support the wife and children, when you can't afford to live at 35 or 37, having started at 23."

Siohhan Bracke of the RSC observes a new impatience in young actors "to get there fast, to get mortgages". Hence an unwillingness to commit themselves to the company life on a provincial stage, away from the lifeline of London and the TV job that could be worth a year's theatre salary.

The last official survey of actors' earnings applies to the year 1987/8 when 72 per cent of the profession earned less than £10,000. More than half earned less than £5,000; just over a quarter less than £1,000. One per cent made more than £50,000.

"The median earnings," comes Mr Plouviez's doom-laden sentence, "were 23,750." He pauses gloomily. "If I were an actor," he reflects, "T'd be a journalist. Or work for Equity."

Further information: for a general prospectus of drama schools write to Webber-Douglas, Acadamy of Dramatic Art, 30 Clareville Street, London FW7 5AW. Tel 071-370 4154.

Martin Hoyle





In acting no rules apply about prowess, physical or mental; size; appearance; intellect or academic qualification

**ADVERTISING** 

## Only the brightest and best survive

"I don't know any trade which offers such variety, the atmosphere is extraordinarily stimulating. Agencies are psychological hothouses. You will never be bored."

David Ogilvy in Ogilvy on Advertising.

DAVID OGILVY is a doyen of the advertising industry. He is the Ogilvy in Ogilvy & Mather. He spends his time at Touffou, his 12th century chateau outside Paris. Yet the corridors of his agency are still carpeted in red, the same colour as his braces — or suspenders, as they call them

on Madison Avenue.
Ogilvy worked his way into advertising by the long route. He started out as a chef at the Hotel Majestic in Paris, and then sold Aga cookers before discovering the world of "psychological hothouses" with its copywriters, pitches

and planners.

Some other ad executives also did it the hard way. Frank Lowe, the Lowe in Lowe Howard-Spink, started out in the mailroom of J. Walter Thompson. Charles Saatchi, of Saatchi & Saatchi, was jobless for a while after leaving his first agency.

Today there is an easier way into advertising; becoming a graduate trainee. The big advertising agencies, which depend on a constant turnover of bright young things to dream up ideas for their clients, are desperate to hire graduates.

Almost any academic discipline will do, although arts degrees tend to dominate. Languages often help, given that the large agencies now own networks of international offices to which bright young things can be dispatched.

But the agencies are only really interested in hiring the brightest and the best.
J. Walter Thompson generally receives anything from 800 to 1,200 applications for 14 or 15 jobs. The agencies all tend to chase after the same "star" applicants – those who really stand out in interviews.

Last year one Oxford

undergraduate was besieged by anxious ad execs who tore down to Oxford to regale him with the virtues of a career at their particular agency over increasingly lavish lunches.

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advertising. You do not need to be able to tell the difference between Eurocom and Omnicom. Torturing the interviewer with your analysis of Jean Baudrillard's theories of contemporary culture is

definitely not a good idea.

But it does help if you know the names of the agency's hig clients and that you can recognise its big campaigns. A summer job in an agency, or an involvement with advertising as an undergraduate also helps. Robin Wight, the W in WCRS, sold space on the university newspaper while at Cambridge.

If you are taken on then you will probably be shunted into account management, where you liaise with clients and map out strategies for campaigns, or into the media department, where you would buy space for the campaigns on television or in the press. The agencies tend to recruit people on the creative side — the art directors and copywriters who actually style and write the

ads — from art schools.

The graduate trainees begin at the bottom. At JWT, for example, they start off as junior members of account or media teams on salaries of around £12,000. After nine months they become account or media executives on about £13,500. Within two years they will probably have been promoted to account manager or to senior media executive on £16,000 to £21,000 with a car. A year later they could become an account director or media associate director on anything from £20,000 to

TOP 20 UK ADVERTISING AGENCIES IN 1989

Seatchi & Saetchi
J. Walter Thompson
BSB Dorland
Young & Rubicam
BMP DDB Needfman
D'Arcy Masius Benton &
Bowles
Ogilvy & Mather
Lowe Howard-Spink
Coffett Dictorson Pearce
Still Price Lintus
Grey
WCRS
Leo Burnett
Publicis
McCann-Erickson
Abbott Mead Vickers SMS
KHBB
Gold Greenlees Troft

Allen Brady and Marsh

20. Bartle Bogle Hegarty
Source: Campaign

£30,000 — with a bigger car.

After that, the sky's the limit. Advertising is a truly meritocratic industry. Those with talent can go a long way. Six members of JWT's 40-strong main board joined the agency as graduate trainees.

The rewards for success are

high. The legendary large expense accounts have shrunk in the recession, but the tables at Groucho's and the Ivy are still crammed with ad executives preening over plates of polenia. People really have been persuaded to leave their agencies — or to stay — by someone dropping the key to a Ferrari on their plate. One Saatchi executive returned home to find a hole in his back garden. The agency had

treated him to a swimming pool. The stories of telephone-

digit salaries are true.

It is also easy to move from agency to agency. Most graduate trainees learn the basics at big agencies, and get offers from smaller shops from their third year onwards. If you fancy your own business, it costs next to nothing to set up an agency, although the days of making serious money by floating on the stock market are over after the financial crises at Saatchi and Yellowhammer.

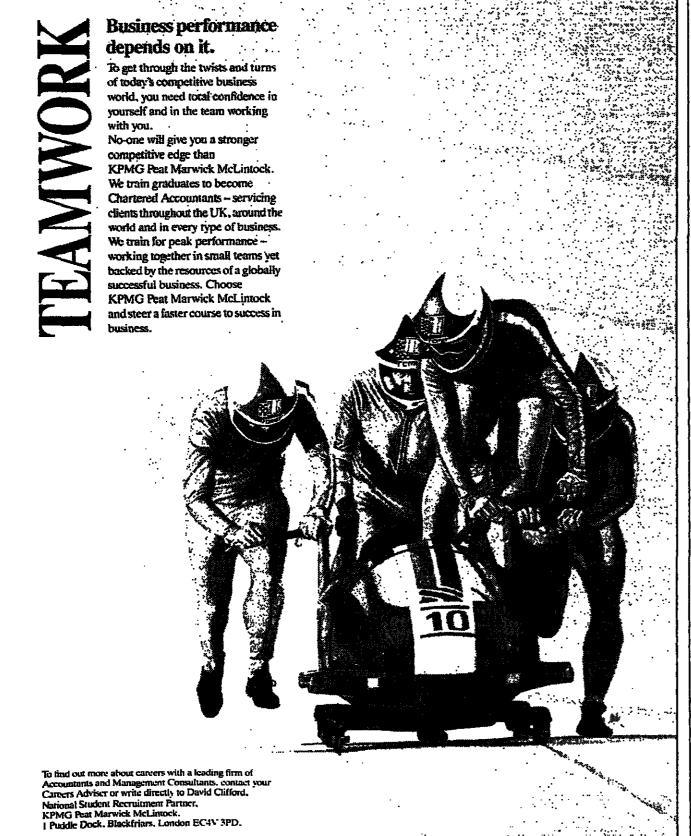
The rewards may be high for the successful, but the ad industry is brutal with those who fail. Anything from a wobbly account to an unhappy client or an unsolicited takeover bid can cause dozens of job losses. Dave Trott of: Gold Greenlees Trott was a victim: he arrived at a board meeting this summer to find that the agency he founded no longer required his services.

as a creative director.

Advertising is a young industry. The truly talented can expect a seat on the board in their 30s. Those with rosy-tinted visions of job security after the grand old age of 40, however, should choose a different career. So if you are thin-skinned, with no stomach for polenta, then you are probably not cut out for a career in advertising. But if you fancy the idea of a corridor carpeted in the same colour as your braces, then start swotting up on those client lists.

Alice Rawsthorn





KPMG Peat Marwick McLintock

AEROSPACE

#### **High-tech** jobs need the highly qualified

THINK of aerospace and you think of high technology — Concorde, Airbuses, rockets

Such high technology derives from highly-qualified people, and aerospace companies depend heavily on graduates, who account for 20 per cent of the industry's

workforce of 200,000. Naturally there is a great demand for engineering graduates, but the aerospace industry also encompasses more traditional engineering and management skills and the sector has a seemingly insatiable demand for qualified young people from all

disciplines: The figures for graduates run into thousands each year, with more than 1,000 needed to replace those who move to other jobs, before taking account of the growth of the

There is little sign of the demand for graduates abating in an industry noted for multi-million and billion-pound orders for aircraft, space and missile projects. The high rates of growth common to the erospace industry for almost half a century look set to continue, but there are some clouds of uncertainty gathering round companies involved in military work as a result of the end of the Cold

This has reduced demand for military aircraft, which have been a mainstay of activity in much of the aerospace industry since the

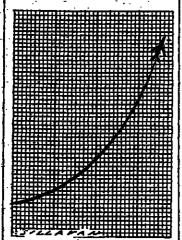
Second World War. Aerospace companies are trying to mitigate the effects of these changes, by seeking more civil aerospace work, and by attempts to diversify away from too beavy a dependence on military products. The tension in the Middle East, however, shows that as one military market declines, others may emerge.

100 100

Nevertheless, although the changes in Europe could eventually reduce the demand for staff at all levels in companies involved in the production of components and equipment for military aircraft, this does not appear to be the

case at the moment.
Ms Rosemary Harper, the resourcing manager for British Aerospace, one of the largest aerospace companies in Europe, says that "so far there are no indications from the constituent companies in British Aerospace that they need fewer graduates as a result of the changes in defence".

The aerospace industry has to compete with other high technology industries for



graduates, especially in the south of England, where companies in the computer, software and electronics sectors are also hungry for the same graduates that aerospace needs – in pure science, engineering subjects and,

especially, mathematics. British Aerospace continues to require a rising number of graduates, with a total of 1,130 wanted last year compared with 950 in 1989, and 690 in 1988. The company has no figure for its likely requirements this year.

Last year British Aerospace gave presentations at 61 educational institutions and was looking for graduates from a wide range of disciplines, including arts, economics, psychology and law as well as engineering and science.

Students are initially recruited for particular business areas and receive on-the-job training

supplemented by management

courses. BAe also runs an Initial Management Programme which pushes people, usually in their mid-20s, into early management responsibility.

At a time when a career in engineering has poor status and is still relatively poorly paid compared with France, Germany, Japan and the US, there are signs of a rise in interest among graduates in a career in engineering, according to British Aerospace.

Ms Harper says "graduates are aware of the opportunities available in industry and we have found that they are sophisticated in asking prospective employers questions about career prospects, conditions of work and salaries. They are very discriminating on the basis

of the replies they receive." The typical starting salary for a second class graduate without work experience would be £11,000 at British Aerospace. Applicants should bear in mind, however, that each site has autonomy to offer better starting salaries. depending on experience, the class and the discipline of the

Not all companies in Britain's aerospace industry are as large or as wide-ranging as British Aerospace, or as internationally well-known as Rolls-Royce, the second biggest name in the UK aerospace sector, famous for its aero-engines.

Many of the 300 companies that are members of the Society of British Aerospace Companies are small and offer a more specialised, but potentially satisfying career. There are so many it would be invidious to single out one or two, but it must suffice to say that they work in such specialised and diverse areas as sensors, computer software, radars, undercarriages, instruments, electronics in all its forms, and parachutes. Further details: Air Commodore A.D.A. Honley, deputy director, or Mr Mike Chapman, the chairman of the education and training committee, The Society of British Aerospace Companies, 29 King Street, St James's, London SW1Y 6RD. Tel

CIVIL AVIATION

#### **Travel** perks don't pay the mortgage

AH! THE romance of the aviation business. Certainly, it sounds alluring. Jet-setting around the world – and being paid for it – understandably holds considerable attractions for many graduates, particularly those whose alternative is a career in the widget and sprocket business based in East Nowhere.

entering aviation just for the travel should be warned that, for most graduates, its attractions soon wear off. That, at least, is the view of Mr Peter Hilton, the recruitment and training manager at Air France in London. Travel perks even if they do offer the possibility of a return flight to New York for £35 - do not pay the mortgage.

But those thinking of

There are compensations. however. According to Liz Wallace, the graduate recruitment co-ordinator at British Airways, what makes working in aviation so attractive is not so much the travel - most trainees at BA do not even go abroad in the first six months at the company - but the challenge of working in a highly

professional environment. British Airways is the largest recruiter of graduates in the UK aviation sector. It is also the most popular. Last year the airline received more than 8,000 applications for only 220 places. The company offers a number of different graduate programmes, including information technology largest, with about 150 graduates - purchasing. investment analysis, finance, engineering and the business professionals scheme.

Ms Wallace says BA is looking for people, particularly from ethnic minorities, male or female, with any degree subject and from any nationality. Last year the company took on a graduate Lynton McLain | from Italy for its finance



Not all jobs are glamorous: some graduates go to Heathrow as check-in staff

programme. The airline also recruits cabin and check-in staff from all over the world.

BA likes to offer work experience during vacations and during sandwich courses. Ms Wallace explains that this allows the graduate and the company to look at each other.

The selection procedure is demanding and, for the first time this year, the company is introducing a pre-screening exercise to discourage frivolous applicants. Like virtually every other employer, BA says it is looking for self-motivated, enthusiastic people with leadership and team skills.

The successful candidate is likely to be able to accept responsibility quickly. A graduate working on procurement, for example might be responsible for purchasing anything from toothpicks to a \$130m Boeing 747 aircraft. Within three years a graduate on the business professionals programme could be responsible for 300 staff at one of Heathrow's terminals. Starting salaries range between £11,500 and £12,300 a year depending upon the particular programme. There are six-monthly salary reviews and after a year, a graduate might be receiving about

£13,500, often much more.

For some graduates there are opportunities to work abroad. Russell Cartwright, a 26-year-old audit manager ,who started at BA as a graduate trainee three years ago after a degree in accounting and financial control at Sheffield Polytechnic, has been abroad for the company three times in the past year. The destinations include New York,

contemporary has just been posted permanently to Paris. Russell has also used the facility for cheap fares on BA flights: when interviewed he had just returned from a holiday in Barbados which cost him only 10 per cent of the

Hanover and Geneva. One

normal fare. However, there are drawbacks to working at BA. The company was privatised only in 1987, and although it is one of the most profitable carriers in the world, there are still remnants of a civil service and bureaucratic mentality in the airline.

This is not really an organisation for the individualist. Team skills are essential. "If you want to work at BA, you need to feel that a large organisation would not make you feel unimportant but would allow you to be recognised," says Karen Sweet,

the external liaison co-ordinator at BA. "Some people don't flourish in a large company.

Graduates on the business professionals programme. which involves marketing, sales and customer service. also need to be fairly self-confident. They are given plenty of responsibility and can be vulnerable to busy and impatient managers if they make a poor impression.

Nevertheless, BA has a good reputation as an employer. Its graduate retention rate a good indicator of how well a company treats its employees is remarkably bigh. About 75-80 per cent of graduates taken on are still with the company after four years. There are other airlines

recruiting in the UK and on the Continent. Lufthansa has been cutting back on recruitment because of the present poor market conditions. While Air France has a graduate management scheme in France, it has no record of having taken on non-French nationals. However, Peter Hilton at Air France in London says it might be worth applying directly to the personnel department at

In the UK, Air France has not had a formal graduate

trainee scheme, although about 85 per cent of its clerical and industrial intake are

graduates. Most trainees have modern languages degrees and want to use their skills. Some have done casual or vacation work with the company before. The company will consider non-UK candidates and recently took on a couple of Dutch graduates. Competition for jobs, at the company, which are not advertised, is fierce. There are about 5,000 applications a year for about 100 positions; 75 per cent of applicants fail the entry

examination Mr Hilton admits the jobs offered to graduates are not as stimulating as they might be. Some of the jobs are at the company's Bond Street British headquarters, while most are at Heathrow as check in staff. Starting salaries are about £11,000 a year in London but

are higher at Heathrow. Air France is trying to work out a strategy for UK graduate employees. Some British employees are sent overseas, but so far this is rare, and seldom at managerial level. Further information: read Airline Business and Flight International

Paul Abrahams ARTS ADMINISTRATION

#### High in excitement but low on comforts

ANYONE contemplating a career in arts administration can have few illusions - they are sacrificing material comforts for a life of excitement, tension, frustration, uncertainty and, sometimes, great fulfilment.

It can be wonderful until you reach your early thirties and then the realisation that you have probably reached the top of your particular tree running a touring theatre company; managing a community arts centre:

Continued on next page

Management Trainee at Deutsche Bank

#### Wanted: A dynamic personality.

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You are successful in your present studies of business administration, economics or a related subject and expect a very good degree. You are also active in other ways, e.g. politically, culturally or socially. Deutsche Bank wants to mee you. We are looking for tomorrow's managers with just you qualities. We shall need a team of creative experts, who car forge and intensify customer relationships worldwide using their spezialized knowledge and understanding, their motivation and the courage to be creative. Write and tell us briefly about your achievements so far and how you would use you. skills with Deutsche Bank. We will then send you detailed information about Deutsche Bank's international training and development programme for university graduat



**Deutsche Bank** 

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London Branch

Continued from previous page department, or front of house, in the RSC or English National Opera - and have nowhere else to go, except to a similar position in another part of the country, and all for a miserly \$20,000 (or less) a year, starts to hit home. There are relatively few retirement parties in arts organisations.

Many seem to drift out of the job around the age of 40. For all the moaning by the vocal arts lobby this is a booming business – at least in terms of the number of arts organisations in existence. This is reflected in the attention being paid to training a new generation of arts managers. An Arts and Entertainment Training Council has been established, and more universities are offering courses. City University with its MA in Arts Management still leads the field, but a sign of the times is the interest shown by management schools, such as the London Business School and Cranfield, in MBAs related to the arts.

The Arts Council is playing an increasingly active role in training for careers in the arts. It offers each year up to 30 bursaries which slot enthusiastic young men and women into arts organisations for 12 or 18 months. The jobs are found after consultation with arts companies and are designed to reflect existing or future needs. You might be helping to plan the tour of a black dance troupe or an art exhibition or work in the financial department or press office of a national company.

The bursaries are not restricted to graduates and the Council is looking for people who have shown commitment to the arts. Running your college drama company, or working as an usher in the local theatre, or as a gofer in a fringe troupe, might be enough to suggest you are serious about the profession.

The attraction of an Arts Council bursary is that after completing the course you are virtually guaranteed a job. But the competition is stiff: there were more than 300 applicants this year for the three bursaries which enabled the trainees to work in the field

of arts touring and marketing. The Arts Council also has three training centres based at Liverpool University, and the Polytechnics at Leicester and Newcastle. In time these might develop into MBAs in arts administration but at the moment they offer a range of part-time courses ideally suited to people who have found work in the arts. That is perhaps the key to a career in this field Get some kind of job, any kind



of job, and grow from there. But do not expect much money. Last year Arts Management conducted research which highlighted the poverty - and the variations - for art administrators. Regional box office managers were earning as little as £6,310, or, comparatively, as much as £15,000; the range for marketing managers was between £7,800 and £25,000; while administrators on repertory groups could earn

£11,500 - or £19,000. This year Greater London Arts commissioned research into the salaries of arts managers in London, who usually earn more than their regional colleagues. It discovered that, compared with 14 roughly equivalent groups such as secondary teachers and welfare officers, male arts managers came out bottom, at an average salary of £12,480. Among the women surveyed. female arts managers (and at least they were equal in number to their male colleagues) were last but one,

with an average of £12,010. As well as the lower salaries. arts managers worked longer hours than their professional equivalents and had fewer fringe benefits. There were also large differentials between jobs, with a high proportion of arts managers earning less than £10,000. Not surprisingly

staff turnover was high. There is an initial rush of blood to the head when you get the job; you are soon involved with working flat out, and are encouraged by speedy promotion to a position of responsibility. You then discover the frustrations of underfunding, bureaucracy, artistic temperament, and the boorishness of critics - and

group is earning twice your

salary. This malaise at the heart of the business has convinced the Arts Establishment that workers in the arts should develop skills that will enable them to move to more remunerative areas if their enthusiasm flags. So now you are encouraged to become an accountant, or a marketing specialist, or a press officer, or a legal expert.

And as the graduates who devoted 20 years to the arts move out, they are replaced by their friends at university who went into remunerative careers in business and want to switch at mid-life into a more rewarding experience, working in the arts (but often with accumulated money from their affair with mammon).

The Guardian on Monday is the place to look for jobs in the arts, or subscribe an annual £30 for Arts Management Appointments, which is published weekly by Rhinegold Publishing of 241, Shaftesbury Avenue, London WC2H 8EH

Further information: Arts Council, 14 Great Peter Street, London. SE1P 3NQ.

Antony Thorncroft **MUSEUMS** 

#### **Sprucing** up that stuffy, old image

A CAREER in a museum guarantees a low salary and years of tedious appren-ticeship, coupled with slow promotion prospects. The traditional opportunities for research, and the perfection of a scholarly mien, now take second place to the need to develop administrative and marketing skills to promote the museum's collections to the public.

To enter this world of impoverishment and changing often conflicting - values,
 you usually require a very good first degree, and an even better further academic qualification. And yet the competition is intense.

The big national museums are undergoing a rapid transformation as the government uses its financial muscle to persuade them to be more accessible to the public, and to be financially independent. A group of energetic new museum directors, many of whom have come from independent museums or from outside the sector, have moved in, bent on shaking off the dusty, inward-looking, academic image.

Instead, they urge museum administrators to play a part in the burgeoning heritage industry. Independent operations are constantly being initiated by enthusiasts, displaying everything from shoes to sailing ships, and bringing the national stock of museums to more than 2.000. If the immediate prospects for a career in a museum look bleak, the future is rosy.

The well-publicised

commotions first at the Victoria & Albert Museum and more recently at the Natural History Museum, are good examples of the revolution. In both cases long established, academically inclined curators, often the acknowledged experts in their field, have been cast aside by new museum directors intent-on making their institutions accessible to a wider public expecting more because it is paying an admission charge. The museum establishment

is training its work force for the brave new world. A Museums Training Institute has been set up, funded mainly by the Office of Arts and Libraries, which by 1992 will be offering a certificate in competence to museum staff. This Institute is obviously the first stop for anyone interested

In addition many post-graduate courses which lead towards specialist careers in the industry are offered by institutions such as the Courtauld Institute, which has moved into splendid new premises in Somerset House in London. This offers perhaps the most prestigious training for art historians.

City University and the University of Essex offer management-orientated courses for those who see themselves as museum administrators rather than specialist curators. Leicester University has a respected year-long museum studies course for graduates (which can be undertaken on a part time basis) and the universities at Manchester St Andrews, and London are also active in the field. St Mary's College at Strawberry Hill and Ironbridge have programmes in Heritage Interpretation for graduates who are as keen about working for the Beaulieu Motor



It's not only a man's job in the Navy: two Wrens catch their breath during fire-fighting training before being posted to warships Country Museum, for example, as for the British Museum and

the V & A. A career in museums is for the enthusiast only, as salaries are abysmally low. Many provincial museums, funded by hard-pressed, even rate-capped local authorities, offer starting salaries for graduates around £8,000; and London-based national museums are scarcely more generous. The independent museums tend to be shoestring operations, although if they are part of large leisure corporations, they pay reasonably well. If you make it to the very top — director of the British Museum — you are unlikely to earn more than £50,000, a pittance for

multi-million-pound business. There are not many opportunities for switching to other professions, although experts from the V & A sometimes move over to Sotheby's and Christie's, or

occasionally become dealers. Anyone who thinks a museum will be a restful alternative to an academic career should think again. The scholar will always be needed and admired within a museum and he or she will doubtless enjoy trips abroad to academic seminars and a life among beloved objects, but these days the scholar-curator will be expected to manage a department, organise exhibitions, raise money from sponsors, advise on design, communicate easily with the public and the media - as well as produce his contributions

to knowledge. The biggest display of advertisements for jobs in museums is to be found in the monthly Museums Journal available at good public libraries, or your local museum. Newspapers, in particular The Guardian on Monday, carry job advertisements.

Further information: Museu Training Institute, Kershaw House, 55. Well Street. Bradford, BDI 5PS; Museums Association, 34 Bioomsbury Way, London, WC1; Museums and Galleries Commission. 7 St James's Square, London

**Antony Thorncroft** ARMED SERVICES

#### To kill or not to kill, that is the question

THE ARMED forces like to make things tough for would-be officers in their three-to-four-day interview processes. But in the last year the recruiters have had to field some hard questions, too.

The prospect of reduced manpower has added an element of uncertainty to a profession where one of the main baits for entrants has always been job security. In common with the priesthood, you were virtually guaranteed (if you wanted it and did not do anything reprehensible) a lifetime career.

Government's Options for at Westbury, Wiltshire, the Change review for the armed Admiralty Interview Board at Gosport, Hampshire, or the RAF Officers and Aircrew forces were announced in July. The proposed cuts, averaging Selection Centre at Biggin Hill. 18 per cent throughout the three services by the middle of the decade, are smaller than Successful Army candidates many officers had feared. go to Sandhurst, where the Recruiters say, however, that their job will be eased only when the details become condensed course of graduates lasts 28 weeks, starting in

ambiguous answers to

applicants' questions – for

instance about the future of

for the next year cut from 20,000 to 16,000. After hig

publicity campaigns, aimed

especially at potential young

officers, advertising budgets

On the other hand, they are

still trying to attract university

engineers. In recent years they

have all fallen short of their

targets for direct graduate

East-West confrontation in

Europe has tended to dampen

interest in the services. There

recruitment officers now hope

has not been a real surge in

applications since just after

the Falklands conflict. But

that the "Gulf factor" may supersede the "Gorbachev

Army, Navy and RAF

meet their targets. They

and the promise of early

career.
"We're finding that the

recruiters all insist they are

not lowering standards to help

believe demanding standards

responsibility are crucial to

attracting the people they want

who may, of course, use the
experience as a credential

when they switch to a civilian

majority of people change employers within the first few

years, no matter what they're

doing," says an Army recruitment officer. "Many of

them know the services are

persuade them otherwise. We

Joining the forces does not mean committing oneself for

life. All offer full, medium and

short-term careers in a variety

short-service commission, for

instance, is at least three years

length of a commission is only

bargain. It is usually possible

Premature Voluntary Release

vary. In the Army, you apply

sponsored through university

of permutations. An Army

and can be converted into a

the service's side of the

and wait. But students

are expected to serve five

years. The Navy expects

years after completing

officers to stay at least 21/2

training, as "fair return of service". It can take up to

about a year to get out. The

quota system and for air crew

service - but then it spends

about £3m training a fast-jet

Together the services are

direct-entry graduates this

year, with about 500 more

coming through university

Science-based disciplines are

in demand, such as electronic

Recruits attend the Army's

RAF is more rigid, with a

a minimum of six years'

looking for about 700

engineers for the RAF.

bursary scheme

to leave earlier. Rules for

not for them. We try to

careers."

recommend short-service

of the forces.

factor" and revive the allure

entry. The relaxation of

and polytechnic graduates in

any field, and particularly

have been cut back.

either September or January. clearer and they can give less Women do a different course in which they are mixed with non-graduates. A cadet joins as a probationary second any particular Army regiment lieutenant; his commission The Army has already had its total annual recruitment target is confirmed on completing Sandhurst. From there he may go to a regiment or to a special course.

The RAF trains men and women officers together at Cranwell, Lincolnshire. The 18-week course is followed by specialised training. In the Navy, the course at Dartmouth lasts 26 weeks. The Royal Marines run their training separately, at Lympstone in

Pay on completion of initial training is normally between £13.000 and £14.000, rising to £17,000 plus after about four vears, although some promotions are faster. Applicants must be willing

to serve in any part of the world. Possible postings range from the Falklands to Belize, from Germany to Gibraltar, from Cyprus to Northern Ireland. Army, Royal Marines and RAF applicants will be asked about their willingness to serve in Northern Ireland. although in the RAF the probability of being posted there is much lower. In an Army infantry regiment it is almost automatic. But the Army says this is not a "minus" for recruiting.

should be prepared to answer the question if, given the order, you would be ready to kill someone. You would probably not be asked that by a merchant bank. Further information: University liaison officers or write to: Directorate of Army Recruiting, Empress State Building, Lillie Road, London SW6 1TR; Directorate of Naval Recruiting, Officer Entry Section, Archway Block North, Old Admiralty Building, Spring Gardens London SW1A 2BC; RAF

Officer Careers, Government

Stanmore, Middlesex HA7 4PZ

Buildings, London Road,

Even in the Navy, you

**David White** 

#### Women move right up to the front line

THERE was a time when women could expect a reasonably comfortable, secure and safe career in the armed services. This was because Ministry of Defence policy ensured that women, as non-combatants, were, wherever possible, posted to areas far removed from the

This is not to say that under fire. Even in the First World War, when public opinion was more opposed to the idea of women serving their country in the armed forces, there were casualties.

All that has changed. Women joining the three services now can expect to be posted to front-line stations where they will serve next to the men. There is no clearer evidence of this than the turnabout in policy for the Women's Royal Army Corps. This month 240 women army officers will discard their WRAC cap badges in favour of regimental badges. In future officers completing their training at Sandhurst will be commissioned straight into regiments in the same way as men. Only the infantry and the Royal Armoured Corps will be out of reach on the basis that the Army does not yet envisage women charging up a beach with fixed bayonets to indulge in hand-to-hand combat or manoeuvring tanks around a battlefield.

But in all other respects women are trained to kill, if necessary, and undergo weapons instruction.

Up to this year, all women were members of the WRAC, which had a complement of 4.800 servicewomen and 520 officers. Gradually the size of the WRAC, headed by a woman brigadier (the bighest rank women have attained in the modern army), will decrease as women join other regiments and corps until, eventually, it will remain merely as a focus for women This will mean there will be an opportunity for women to rise to the rank of



lieutenant-general, normally requiring field service. This year the general target for the number of women

major-general and even

officer recruits is 100. The Army takes any graduates and offers a variety of careers in an assortment of regiments and corps. For instance, this year the Royal Artillery requires three women officers.

This year, too, the Royal Air Force announced that, for the first time since it was formed in April 1918, women are eligible to fly as pilots and navigators. Flight Lieutenant Julie Ann Gibson, who in 1984 graduated from the City University with a BSc (Hons) in aeronautical engineering, and Flight Lieutenant Sally Barbara Cox, who gained a BSc (Hons) in combined sciences at Nene College, Northampton, became the first women to train as pilots in the modern air force. (There were women pilots during the Second World War but they were employed to fly aircraft from factories to airfields.)

However, if you have ideas of piloting Tornados, Jaguars or Phantoms, you are out of luck. Women will not be permitted to fly strike aircraft, and will be confined to aircraft engaged in carrying passengers and freight, air-to-air refuelling, airborne early warning and search and

The RAF was the first service to integrate women fully into its ranks. The service accepts about 250 pilot and navigator trainees every year and expects to fill 10 per cent of these places with women. The overall target for women officers during 1990-91 is 144. This year 125 officer trainees were graduates.

The most controversial announcement affecting servicewomen this year was the decision of the Royal Navy to post members of the Women's Royal Naval Services to seagoing ships. Wives of men serving aboard Her Majesty's ships were alarmed about the consequences of women being confined for months on end with their husbands in the cramped quarters aboard warships.

There has been no chance. yet, to observe results of this revolutionary move by the Navy. However, when HMS Brilliant, a Type 22 frigate, sails for the Gulf next month, she will be the first British warship at sea to have on board members of the WRNS.

There are 3,200 members of the WRNS, of whom 275 are officers. This year 41 women officers were trained at Dartmouth, of whom 22 were graduates. Next year the WRNS expects to recruit about the same number. There is one difference in the terms of service for men and women in the Navy: women receive short career commissions (as the Navy terms it) which means they serve for eight years, after which they can sign on for another eight year

One of the most controversial aspects of life in the armed services is about to be scrapped. Up to now pregnant women were compelled to resign, and very few were able to resume their careers after having bables because they had to satisfy the Army, Air Force or Navy that they had made adequate arrangements for the care of their children. Unofficially, this rigid rule

is expected to be lifted next year when all three services will welcome mothers back. In fact, the Army in its advertising insists that a career as a wife and mother is not excluded. Usually, married officers are posted together.

There are opportunities for women in the following Army corps: Corps of Royal Engineers, Royal Corps of Signals, Intelligence Corps, Royal Corps of Transport, Royal Army Ordnance Corps Corps of Royal Electrical and chanical Engineers, Corps of Royal Military Police, Royal Army Pay Corps, Royal Army Educational Corps, Army Catering Corps, Royal Army Medical Corps, Royal Army Veterinary Corps, Royal Army Dental Corps, Army Legal Corps and Queen Alexandra's Royal Army Nursing Corps.

#### Move over, sailors: here come the Wrens

THEY USED to say in the Navy that, the women's movement notwithstanding, there was one career that would always remain a man's job – serving aboard Her Majesty's ships at sea. On June 19 this year, Second Officer Cate Pope became one of the first women in the history of the Royal Navy to break this tradition when she walked up the gangway of a British

as a regular seagoing officer. Her ship is HMS Fearless, a Royal Navy assault vessel. The Navy always has been a law unto itself, needing separate legislation for every

step on the way to giving women equal opportunities. Even now it is a step behind the two other services, in that women have different rank titles. But by posting women to warships, the Navy has gone further than the Army and Air Force by ensuring that, in future, Wrens could be part of the action in marine warfare.

This prospect does not in any way deter 29-year-old Cate who, when she joined the Navy in 1985, was looking for "something a little more challenging, a little more interesting and much more exciting than a run-of-the-mill job in industry". She read marine and freshwater biology at Westfield College and did her masters at Chelsea College in applied hydrobiology.

While I was at London University I had no plans at all, certainly no ambition to join the WRNS. I chose biology because I enjoyed it. The idea of going on to do my PhD did appeal for a while, but a job in industry didn't."

Cate spent a summer with Thames Water Authority, as a water bailiff, and during her spare time continued her hobby as a scuba diver. During this period of indecision about her future she walked past a Royal Navy careers office in Holborn, and "popped in to see what sort of jobs were on offer. The range was quite staggering and I was hooked. I had literally walked in to pick up some pamphlets but found myself filling in an application form there and then."

There is no service tradition in the Pope family. Her father is a well-known artist who has had his paintings hung by the Royal Academy at its summer exhibition.

Cate attended the Admiralty Interview Board at HMS Sultan, Gosport, for 21/4 days. This course is designed to test the leadership potential of aspiring officers. "What they are looking for is application, drive and determination. At the end they tell you whether you have reached the required standard. However, the final selection is up to the MoD. After that, I went through the basic training of the WRNS and then on to Britannia Royal

Naval College at Dartmouth.

Cate joined the WRNS in the general administration branch, but after two years decided to specialise in meteorology and oceanography and took a Royal Navy course to qualify in this area of operations.

"I went diving in Cyprus. then worked with submariners, and went to the Arctic Circle with the Marines. There was never a dull moment."

Cate admitted that when she was posted to HMS Fearless it was with a slight feeling of apprehension about what was in store for her. Royal Navy ships were designed for men only - with no concessions for women

coming aboard. "And that's the way it ought to be," says Cate. "There is no problem really. All we need is a lock on the door and it becomes instantly personalised. It is much easier for the officers, obviously, because we have cabins. But

even when WRNS ratings come

aboard they will be able to

cope without any difficulty." Aboard Fearless, Cate is meteorology officer and ship's instruction officer. "As meteorology officer my job will be weather forecasting, a task which is critical when we have belicopters and marines aboard. I will also be responsible for the education of the ship's company - GCSE maths and English, that sort of subject, can be taught on board. And I am what is termed resettlement officer which means advising people about careers, finance, housing when they leave the Navy. "I am also custodian of classified books and cryptographic material used

HMS Fearless, which was part of the naval force during the Falklands campaign, is virtually a streamlined floating dock with a flight-deck large enough to operate several helicopters and the facility to float out landing-craft through the open stern. Her armament includes Seacat missiles, Phalanx, a rapid-fire anti-missile system, and 20mm

guns. The ship's complement varies with her role, but an average of 35 officers and 600 servicepeople normally live aboard,

Cate will not be the only woman aboard, because women ratings will also join Fearless, which is one of only two ships at sea complemented with WRNS.

What are Cate's ambitions? "In the short term, I should like very much to become the ship's diver. That will mean attending another course. Ultimately? Well, my father is hoping I will reach admiral. because then he can become as famous as Augustus John."



BROADCASTING

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**BANKING** 

#### It's the person who counts

BANKING. The word conjures up images ranging from the sublime to the ridiculous. Is it the height of boredom or the citadel of the wheeler-dealer putting together a mega-deal? Anyone thinking of a career in banking should forget about

the local branch down the street. It is the last place a graduate is likely to end up. Instead, they are more likely to find themselves managing a part of the bank's operations, liabsing with corporate clients the bank's overseas operations.

The hig high street banks are looking for articulate, numerate graduates to run sophisticated operations or deal with multinational customers. They want clear thinkers, with leadership qualities, and good person-to-person skills. However, they are not necessarily looking for graduates of economic disciplines. "We are more interested in the person than the academic baggage they are carrying," says Mr Kevin Wall of Barclays Bank. Personality counts for as much as academic training, although most banks will be looking for graduates with an upper second class degree or better.

The graduate's first stop should be the Bankers' Almanac, a complete list of the world's banks, their addresses and banking associations. This two-part tome - available in any library - might at first appear a little intimidating, but will be invaluable to those preparing to fire off a round of letters requesting brochures (which include an application form) on graduate recruitment schemes. This should be the next step and do not put it off. Brochures were published in September and banks are already swamped with requests. Most big banks have extensive training schemes, aimed at introducing the graduate to a variety of banking operations: anything from portfolio management

to personnel and marketing. Barclays, for example, — the biggest UK retail bank and traditionally the most international - has a four-year programme which takes graduates right through the group's operations, both in the UK and abroad.

About 80 people are chosen each year from 3.000 applicants. The interview round is gruelling. Be prepared for initial one-to-one interviews, then a panel stage including a "psychometric" test to determine verbal and mathematical skills. role-playing exercises, and three more interviews before the final offers are made. This is the process for Barclays' Management Development Programme (MDP), which seeks candidates with senior executive potential. "Within 10-15 years, we expect these people to be holding top jobs in the Barclays group," says

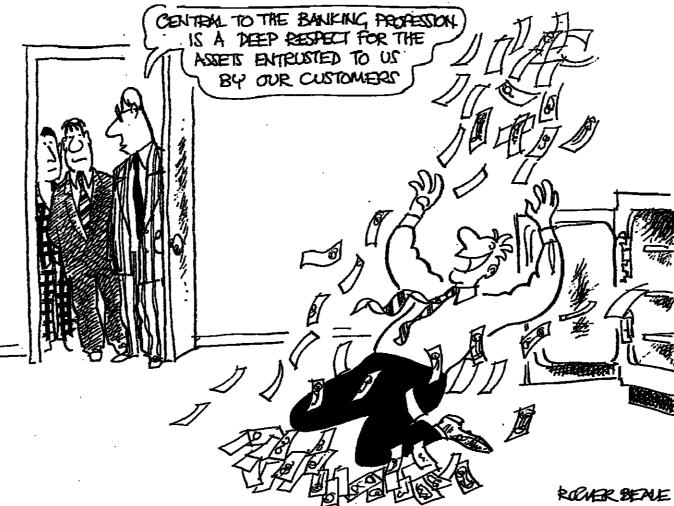
Most of the big UK clearing – or retail – banks have structured programmes similar to that of Barclays - including fast-track programmes for high

Once in, the rewards are good. Perks include subsidised mortgages, beneficial loans, and in some cases, company

Top clearing bankers earn more than £100,000. But the trainee can expect to start on anything from £12,000 to £18,000, depending on the bank. Merchant banks tend to pay more than the clearers, and salaries will go up at least in line with inflation. What you earn within five years depends on the job you eventually assume Retail banking for example, is not as well paid

as the corporate finance side. The drawback of working for the big high-street banks is that they are not changing quickly enough to suit many people. For this reason, UK banks are facing increasing competition from European. Japanese and US institutions: competition for graduates, as

well as for business. Citicorp of the US and Credit Lyonnais of France, for example, run quite different training schemes for UK graduates. Citicorp, a vast institution with about 4,500 people in the UK, has a federal approach to training. Applicants are interviewed and hired by various husinesses - anything from consumer services to computer systems, foreign exchange dealers to people managers. The initial training lasts about eight weeks. "We get graduates into a job and into the department," says Derek



graduates at the head of operations within 10 years, says Mr Froud. Crédit Lyonnais, on the other hand, takes on four to five graduates a year in the UK. The training programme, which lasts about 12-15 months, takes graduates through the various commercial areas - corporate banking, trade and commodity finance, general banking and dealing. Although the intake

is likely to increase, Crédit Lyonnais does not attend job fairs nor go on the ubiquitous milk round. The bank finds its graduates through direct applications; and, says Sandie Tucker, personnel manager, a sense

of humour on the application goes a long way. Unlike most of the UK banks, however, Crédit Lyonnais is mainly looking for graduates of business or numerate disciplines, and a foreign language is a must.

Salaries for foreign banks are comparable to the UK clearers. Their career paths are obviously international, and you would expect to spend much time abroad. Although banking remains

a male-dominated world, the prospects for women are improving. Lloyds Bank, for example, hired more female than male graduates this year.

The first year on any training scheme is tough -not all trainees will make it. Barclays has a drop-out rate of about five or six of the 80 MDP candidates. Once through the first year,

however, graduate trainees are almost always destined for early responsibility and senior positions. It really depends on the candidate. "If they are as hungry as we believe them to be, then they tend to get promotion even earlier than they expect themselves," says Mr Froud of Citibank Further information: contact

the banks direct, or the Banking Information Service, 10 Lombard Street, London

**Peggy Hollinger** CORPORATE FINANCE

#### Scene of all the action and glamour

THROUGHOUT the 1980s, there was no more glamorous job in the City of London than that of corporate financier. Market-making had its appeal to some, and others would enjoy being stockbrokers or fund managers. But all the action was within the corporate

finance department. Corporate financiers were paid more than anyone else; they worked harder, they wielded more power; they were much more intelligent. A certain mythology built up round the corporate financiers - according to popular legend they drove faster company cars than anyone else and were better looking too.

The mythologising process was attributable to abnormally high levels of takeover activity before and after the 1987 stock-market crash. As predators went on the warpath and whole industries restructured themselves, the corporate finance adviser was there, sporting red braces and tassled loafers, at the eye of

Apart from cutting a dashing figure, the corporate financier is responsible for coming up

restructuring plans where companies shed their least profitable subsidiaries. They may also devise ways of financing these expensive activities, sometimes designing new categories of securities. They have a project co-ordination role in any big deal, bringing together accountants, lawyers, stockbrokers and other professionals.

They make sure that takeovers, for example, are conducted within the letter of the law; they write the more sensitive parts of offer documents and listings documents; they advise on how transactions should best be structured for the benefit of the company, shareholders, and themselves.

Although a corporate finance team itself draws from a range of disciplines, every member must be technically adept and commercially aware. It also helps to be personable and self-assured, as you frequently have to talk with authority to senior business executives on subjects about which you may know little or nothing.

Salaries are indeed high, boosted by huge bonuses when times are good. Despite the very long hours - 20-hour days are not unusual - it is not surprising that the job attracts the intelligent and ambitious. Business is a lot quieter now

than it has been for many years, but corporate finance retains its glamour, not just for the undergraduate who might have heard about the fabulous salaries, but also for the hundreds of newly-qualified accountants, solicitors and barristers who apply every year for what is now a diminishing number of jobs.

It is still just about possible to go straight into corporate finance direct from university. although the extent to which the recruitment process is formalised varies from bank to bank. Many banks recruit on a purely ad hoc basis, giving jobs to whoever writes in at the right moment; a handful of others operate proper training schemes.

Schröders, for example, a leading merchant bank, . recruits about five undergraduates who are given formal financial training and a spot of work experience in other departments for six months, before taking their places as fully-fledged, albeit unior members of a corporate finance team. Morgan Grenfell, another well-known corporate finance house, takes two graduates a year into this area.

Another way into corporate finance is via one of the generalised training schemes operated by US investment banks – such as Morgan Stanley or Goldman Sachs and by UK securities houses such as S G Warburg. Typically, the recruit on one of these schemes will first receive general financial training, followed by a spell of up to two years working on other areas of the business, before being given the opportunity to move into corporate finance.

Morgan Stanley, for example, operates a two-year "analysts' programme"; after three weeks' training in New York, the graduate is posted off to one of the bank's departments Which may be corporate finance). The work will involve researching and processing data to support the activities of the mergers and acquisitions department. After two years. you go to business school, after which you may be able to come back as a fully-fledged M&A executive.

Warburg takes the view that graduates have little to offer the corporate finance department immediately after university. They join the

they are expected to move around the firm's various divisions - fund management, stockbroking and so forth but only afterwards are they eligible to transfer to the corporate finance department.

Some tips: addresses of merchant banks and investment houses can be found in Crawford's Directory of City Connections, available in a good library. Try to get a holiday job in the City before applying. And if you do not get a job straight away, become a lawyer or an accountant and in three years you might have a better chance. This advice does not apply

if you happen to be exotic: the banks are all looking for multicultural recruits, people who are bi- or trilingual, foreign nationals educated in the UK or the US. This policy adds to the image of cosmopolitan glamour, but also reflects sound commercial self-interest: the financial services industry is international in flavour, for one; and growth in the 1990s promises to come from abroad, where it will help to speak the language and be familiar with

David Waller

**Masters** fall from grace

FOR MANY BANKERS, the Eurobond market was the glamour business of the 80s. Like bond trader Sherman McCoy, the doomed hero of Tom Wolfe's best-selling novel Bonfire of the Vanities, many Eurobond dealers considered themselves Masters of the Universe.

But many Masters fell from grace as cut-throat competition in a contracting market squeezed profit margins. Jobs were axed, bonuses cut, and many banks pulled out of the market altogether.

Graduates embarking on a career in finance these days may head for safer, if less lucrative, domains such as fund management.

The Eurobond market, a \$1,000bn market in publicly-traded debt issued by companies and governments, was the epitome of the charmless glamour which typified the City in mid-80s. Ample profits could be earned by structuring

transactions (corporate finance), flogging them to tax -shy investors (sales), and playing the market (trading). Traders addressed each other in insider lingo, and the higher echelons of managers impressed these juniors with sordid tales set in night clubs such as Annabels.

Hit by recession, the business appears to be casting off its tarnished image and adopting a more rigorously professional approach. The growing sophistication of financial products, and of investors, places greater demands on traders and salesmen, and the level of graduate intake has increased.

Potential recruiters range from investment banks to commercial banks to brokers, but the differences in culture are often as much a function of national identities, which include American, British. Japanese and Swiss.

Many firms have general graduate recruitment programmes, and do not assign specific jobs until training is completed. However, a distinction is often made between corporate finance, where post-graduate qualifications may be expected, and sales and trading, where graduate recruits, once a rare breed, now predominate.

Generally, graduate trainee programmes at US firms tend to be the most structured, with several months spent in the classroom, working on case studies and presentations. Japanese and UK banks tend to be less formal in their training, sometimes moving graduates round a variety of departments.

The training course at JP Morgan Securities, the US-based investment bank. lasts five months and is based on a US MBA model Training, in London and New York, includes lectures, tutorials, work groups and even outward-bound-type courses to build Morgan team-playing spirit. Since 67 per cent of graduates recruited to sales and trading since 1969, and 80 per cent since 1980, are still at the firm, some team spirit appears to be engendered.

J P Morgan has no preference for a particular discipline, as the course is expected to bring trainees to the same level of knowledge. The firm expects to recruit about 20 graduates this year, split between corporate finance, and trading and sales, on a milk-round in Oxford, Cambridge, Bristol, Durham. Dublin, Edinburgh, London and Manchester, supplemented by advertising in the general graduate recruitment literature.

UBS Phillips & Drew, the UK arm of the Union Bank of Switzerland, expects to recruit about 15 graduates this year, after a milk round encompassing the universities of Oxford, Cambridge, Bristol. Exeter, Manchester, the **London School of Economics** and St Andrews. At UBS, trainees are recruited to a specific department at the outset, and are trained in the skills of that department for five weeks, before any general training is given.

IBJ International, the London arm of the Industrial Bank of Japan, focuses on the Eurobond market, so most graduates end up in that area The bank does not do the milk round, but advertises in the financial press, where it can also attract graduates with some working experience. There is a five-month training period, when trainees work in various departments.

In the areas of sales and trading, there is still an emphasis on personality. "We're looking for people we could drop on to a beach in St Tropez to sell doughnuts. says the head of sales at one British investment bank. While some graduates are hired fresh from college, it is also common for them to come

from short stints elsewhere. "I got into Eurobond sales by chance, because I was desperate to get out of my graduate training course at a clearing bank, and I wanted a chance to use my languages. says one Eurobond saleswoman, a recent modern

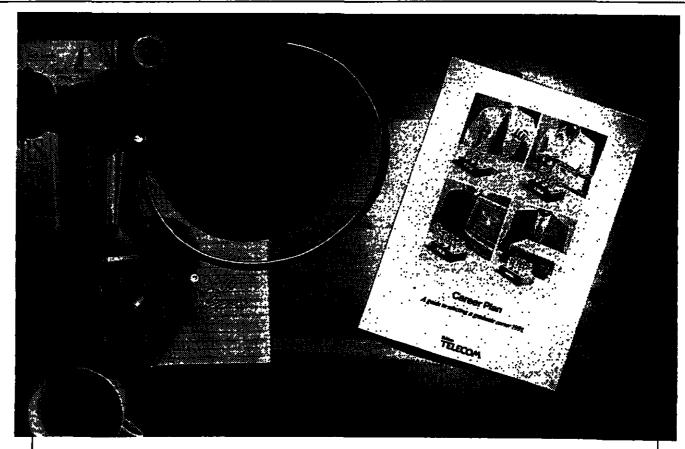
languages graduate.
Although the usual sales jargon persists - "People who sell themselves well will sell our products well" - there is a recognition that salesmen need to be able to present increasingly complex ideas.

In spite of the recession. remuneration can still be high Starting salaries are in the region of £15,000, generally higher at the US banks. This can rise quickly. Some traders in their mid-20s earn more than £100,000, including bonuses.

The downside is poor job security. Many graduates mad redundant in the wake of the 1987 crash found themselves unable to find new jobs in a contracting industry, and ill-qualified for jobs outside

A drawback at most Japanese banks is that Westerners are rarely promoted above a middle-management level. The compensation is that those jobs are considerably more

Tracy Corriga



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British

BUILDING **SOCIETIES** 

#### The battle with the banks is on

IF YOU think building societies are boring or staid institutions, offering unexciting prospects, think

Ten years ago building societies were as their Victorian founders had intended them to be: two-product businesses, handling mortgages and savings deposits, under heavily protected conditions.

Now the protection has gone **Building societies are battling** with the banks for a wide range of personal customer banking business in the High Street, though with a strong emphasis on mortgage finance a particularly competitive line of business.

Anyone going into the industry will have to adapt to a rapidly changing and highly competitive marketplace in which the rewards for success are steadily growing. Building society salaries are rising, and fringe benefits, range from subsidised mortgages and strong pension schemes to company cars, medical insurance, and relatively long holidays of up to 30 days a year.

Size is important in the building society world. Roughly speaking, the industry breaks down into a few societies - Halifax, Nationwide Anglia, Woolwich, and Alliance & Leicester which are national institutions about the same size as the smaller banks. (Halifax is almost in a class by itself: the largest building society in the world and with total assets ranking alongside those of the Big Four banks such as Midland and Lloyds.)

Then there are societies with a national customer base, such as Leeds or National & Provincial, although they are smaller than most hanks.

Skipton is probably the smallest of this group of societies. Below Skipton the size of societies diminishes rapidly, going down to one-branch small-town societies with only a few million pounds of assets.

A career in a large, nationally-known society such as Halifax or Woolwich will be very different from one with a small local or regional base, although a graduate's chances of becoming a top executive will obviously be greater in

a small society. Halifax, the giant of the building society world, takes 40 graduates a year in a recruitment programme from polytechnics and universities. It admits to having slightly more success in the northern universities. No particular subjects are required: one recent recruit, for example, read zoology.

After selection, a two-year

intensive training and development programme follows, then an appointment in a branch or head office. "The world is their oyster then, there are lots of career opportunities, ranging from the chance to become generalists and move from one area to another or to specialise," says Mr Richard Sherrard, group recruitment and equal opportunities manager at Halifax.

Almost all societies expect graduates to study in their own time for the Chartered Building Society Institute's basic diploma. There are eight subjects to pass, five compulsory and three optional.
"People with degrees and the habit of studying don't find it too difficult," says Mr Sherrard. "But it can be more difficult when doing a fairly extensive training and development programme alongside your work and some people take longer than others."

Graduates can expect to be given responsibility – usually the running a small branch

very quickly. Although high-fliers do occasionally move from one society to another, loyalty is strongly encouraged by the large societies. "We are recruiting graduates for long-term careers. We want them to identify with us," says Mr Sherrard.

At the other end of the scale, things are not so different; but life in the smaller societies has has a more personal

flavour. Robert Stobbard is in the second year of a two-year training programme with Scarborough, a fairly small society by asset size, though it has 20 branches. Robert studied geography and chemistry at Keele and joined Scarborough a year after he left university. Now he is working for the

CBSI diploma to be followed. by a diploma in management from the Open University. He chose the CBSI qualification rather than a banking qualification because he has specialised in mortgage-related work in head office.

"When I joined the society, my aim was to be a branch manager, but branches are less important now than they were then and positions are emerging that were not dreamed of then, for example in processing centres and regional managers." Richard



regional manager by the time he is 40.

Anyone intending to make their career in a small building society has to be particularly mindful of the changes going on in the industry. Mergers and takeovers of small societies by larger ones are happening regularly and the number of societies is dwindling.

There were 275 building societies in 1980. Ten years earlier there had been 481. By the end of this year there will be fewer than 100. These mergers do not affect

the basic character of societies, because the merged institutions remain building societies.

Scarborough ranks 46th in the industry by asset size and Robert Stobbard says he and

his colleagues are aware of the possibility of a takeover. Being good with figures is quite important for anyone wanting a career with a society, but most executives rate the ability to work with the general public especially important.

There is a range of 10 skills which we assess graduates against, but we are a 'people organisation' and the things we are looking for are mainly people-related as much as paper-related." says Richard Sherrard at Halifax. The building society world

like the clearing banks, may

offer special opportunities to women, even though the upper ranks of the business are still heavily male-dominated. More and more retail financial services organisations are looking to women recruits with an eye to promoting them to the upper echelons. At Halifax the split between men and women graduate recruits is now even. "The number of women in top management is fairly limited, but we see this as something we are trying to put right. Women who are selected will undoubtedly go through the organisation quicker than the norm," says Mr Sherrard.

He says graduates can expect Halifax to offer security in a changing market. "Maybe there will not be separate categories of banks and building societies in the future but just financial service organisations. Either way, the Halifax can offer them a long-term future," says Mr Sherrard.

Further information: Building Societies Association, 3 Savile Row, London W1X LAF; Chartered Building Societies Institute, 19 Baldock STreet, Ware, Herts SG12 9DH Reading: The Building Society Industry by Mark Boléat (Allen & Unwin) is the standard work on the industry; The Building Society Industry in Transition by Leigh Drake, Macmilian; The Major Players, available from Dr John Wrigiesworth, UBS Phillips & Drew, 100 Liverpool Street, London ÉC2M 2RH. is an annual review of financial performance by the top 15 societies.

David Barchard

PROFILE: Abbey National

#### An enviable success story

THERE was gloom in most of the banking market last July as the "Big Four" clearing hanks announced dismal half-year results reflecting the

problems of the UK economy. The one shining exception to the bad news from the banking world was Abbey National, a former building society which turned into a bank after a stock market flotation in July 1989. It was able to tell its shareholders

a different story.

Despite the problems of the mortgage market, its profits soared by 38 per cent - the sort of growth which makes a splash even in a good year. From Bangor, Northern Ireland, Mr Glenn Lindsey

views Abbey National's progress with considerable satisfaction. He joined the company a year ago after reading biology at the University of Manchester's Institute of Science and Technology.
"I liked Abbey National

because it offered me a definite career structure and had a clearly defined training scheme for graduates," he says. What does the job demand?

"You have to have a certain grasp for figures," says Mr Lindsey. "You could not do the job otherwise, but the main requirement for working with Abbey National is the ability to get on with people and manage them.

Abbey National's asset size makes it larger than many banks such as TSB and Royal Bank of Scotland, but some distance behind Lloyds and Midland. It has a smaller branch network than they do. and is more specialised. The bank - which it has

technically become since a change in its charter last year - specialises in mortgage lending. It now has about 15 per cent of the UK market.



Outward bound training: banking was never like this

Abbey National's corporate

Abbey National" course at

participants had a chance to

management, followed by some

challenge training (similar to

Outward Bound training, with

senior and junior staff mixed

together) and then work in

As at banks and building

financial services and banking

status, its staff are discouraged

from taking the old Chartered

**Building Societies Institute** 

Lindsey has enrolled for the

Henley Management Diploma.

One factor in deciding on this

option was that he expects to

gives him geographical

be on the move and this course

qualifications. Instead, Mr

societies, recruits study for

qualifications in their own

time. Since Abbey National

has shed building society

a branch on a training

schedule.

Shrewsbury, where

meet and talk to top

culture meant a "Welcome to

Because it does not engage in corporate lending, unlike the big clearing banks, its profits have not been hit by the recent round of large company failures in the UK.

"We take about 100 graduates each year from any university or poly in the UK. It will probably be slightly more next year," says Ms Judy Fairweather, a manager in Abbey National's graduate recruitment and development team. "We see the graduate recruitment stream not as a kind of elitist group but as people who have the potential to reach the most senior levels in the organisation. They need to be free of mental baggage

About half the graduate recruits are women. In 1988, there were actually more women going into the Abbey National's management scheme than men.

from elsewhere."

For Glenn Lindsey, imbibing

manager at Glenn Gormley with a staff of six working. under him. Are the rewards commensurate with the responsibility and the work he is already doing? "I am quite happy with the financial rewards, although this job was not among the top payers, but it is quite a reasonable salary; he says. "With benefits it is quite a sound package. What it lacks in cash, it makes up in medical insurance and other

in the past, staff salaries at Abbey National, like those of the building society industry it formerly belonged to, lagged behind those of other large corporations. This is less true as the financial services industry becomes competitive.

flexibility. He has estimated

he needs to spend eight to 10

**THICKY** 

hours a week, after hours,

working for the diploma. This autumn Mr Lindsey

will move to become branch

Ms Fairweather says graduates can expect a basic £10,060 salary plus a £3,500 I ondon allowance. "The majority of training opportunities are in London." zhe savs.

Mr Lindsey envisages a areer structure which will take him on to be an area manager and then perhaps a regional manager in his 30s and 40s. I would like to stay with the customer rather than just be in the head office making decisions." he says.

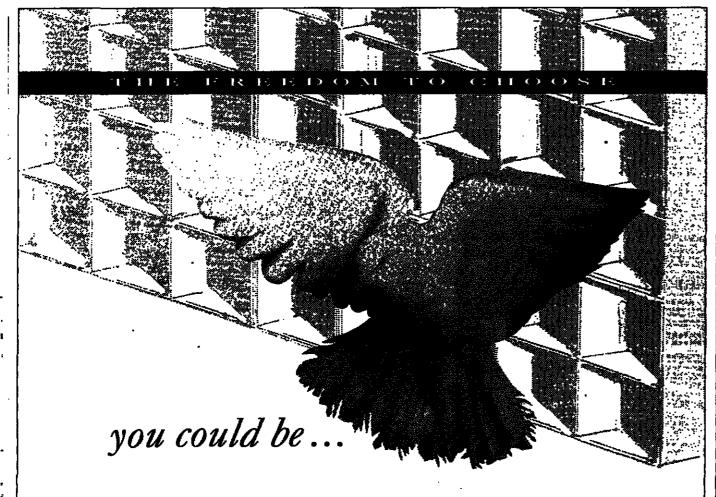
For those who want to take this second route, there is increasing scope. Retail financial services is a high-tech business, needing planners, strategists, marketeers and administrators as well as front-line staff who deal direct with customers.

There are also more specialised financial positions, for example work in the bank's treasury, dealing with its funding and activities in the money markets. This side of things has expended considerably since the flotation.

Abbey National says it is: extremely pleased at this and other changes which followed from shedding building society status. "As a building society, we had to recken with constant legal constraints on our business activity. We have much more freedom to change now," says Ms Fairweather.

**David Barchard** 

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BREWING

#### it's not enough just to like stout

BRITAIN's brewing industry is being reshaped. As a result of the Monopolies and Mergers Commission report last year, the national brewers are being forced to reduce their pub estates and open them to competitive drinks suppliers.

Grand Metropolitan has signalled its intention to quit brewing but will remain a force in the international drinks and food business, and in retailing. Allied-Lyons has yet to decide whether to follow a similar path.

Such changes, however, are unlikely to have much effect on the varied choice of careers offered by the industry. There will be opportunities to suit virtually every taste in the brewers' increasingly diverse operations.

Bass, the UK's leading brewer, is also the world's biggest hotelier. Guinness, one of the few truly international brewers, is also the leading distiller of Scotch whisky. Whitbread has extensive retailing interests at home and abroad: Scottish & Newcastle runs holiday and leisure operations as well as breweries

and pubs. All the leading brewers operate structured training chemes, recruiting graduates for jobs in production and distribution, personnel, research and development, sales and marketing, retailing and hotels, catering, estate management and property, and information and financial

Most of the big brewers and distillers, seeking to develop a flexible and broad range of management skills, encourage graduates along career paths that take them through several of these functional divisions.
Their multinational

operations provide openings for the internationally mobile Their spread of activities at home offers rewarding posts in the provinces. Corporate cultures within the industry generally seem to foster a sociability that

But competition for entry continues to be stiff. In spite of reports that the graduate job market is easing, the brewers found just as many applicants as usual quening at their doors this year. Guinness had some 2000

tempers its highly competitive

nature.



The brewing industry: could refresh those graduates that other careers can't reach

and usually a quarter of its recruits, come from Ireland. This year it also took in one from Hong Kong, one from Australia, and one from the US. International recruitment will grow - plans are already laid for attracting Japanese graduates.

Melanie Hughes, group graduate developme co-ordinator, says: "We are approaching the recruitment of overseas graduates cautiously, but if it works, we shall move towards a 50-50 balance with the UK and Ireland."

Guinness, which started its graduate recruits this year on a salary of £12,300, now concentrates its search on 16 universities - down from 26 last year - and did little advertising outside those

centres. They included Oxbridge but omitted Bristol and Exeter in favour of such "extremely good environments" as Brunel and Aston which, says Hughes, produce mature engineering and production recruits, often with language skills.

Personal skills are more important than degree subject. "We are looking for people with analytical skills – to be found among those taking classics as well as business studies," says Hughes. "We want recruits who

comfortably within a team as well as lead it."

Graduates are usually attached to one department for the initial 12 months of an 18 months intensive training programme, but may be moved after six months if it seems their talents may be better employed elsewhere. Ms Hughes finds applicants

now are more aware of what their prospective career entails. "Either they are getting better careers guidance or they are doing their homework more thoroughly," she says. So it is no use basing your application merely on

a liking for stout.
Whitbread, with retail
operations such as Pizza Hut and Thresher's off-licences as well as breweries and pubs. recruits some 40 graduates a year. It covers II universities and nine polytechnics on the milk round, and advertises at several others. Applications this year totalled more than

1,000. Some of the jobs it offers require specialist degrees — in engineering, chemistry, biochemistry, food sciences,

and even estate management. However, Peter Lester, head of the graduate recruitment unit, says that information technology recruits are as likely to be found among music and psychology students as

selected from a wide range of disciplines. Most trainees start on a basic £11,500. Slightly higher rates are paid to engineers and

technologists, and some get a company car.

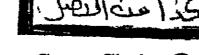
Promotion and responsibility can come quickly. Some area management trainees, says Lester, have been runni batches of 50 tenanted pubs

within six months. Whitbread, too, is encouraging greater flexibility in training, with more movement across the company's divisions. One recent finance recruit moved into marketing analysis within

The MMC shake up may also open more opportunities for graduates in the smaller, regional brewers. Although they have tended to advertise only for trained staff in the past, several are now expanding their activities.

For women, prospects seem to be steadily improving in what is still a male dominated industry. GrandMet amnounced this year that its recruitment programmes in both the UK and the US would be targeting women and minority groups. Parther information: The Brewers' Society, 42 Portan Square, London W1H 0BB; The Scotch Whisky

Association, 17 Half Moon



#### BROADCASTING

#### You might get lucky with smart talking

OLIVER PHILLIPS only became a television journalist because he saw an advertisement for a babysitter on the noticeboard in the British embassy in Moscow where he was studying Russian

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David

4.0

The woman looking for a babysitter turned out to be Julia Watson, who wrote for the Daily Mail

Although Oliver had edited the Manchester Grammar School newspaper, he was far more interested in drama and wanted to be an

Through the babysitting link and a story he gave to the Daily Mail on compulsory Aids tests for foreign students in Moscow, Oliver Phillips was gradually sucked into the world of journalism and talked his way into a job with the Moscow bureau of Teri Turner's Cable News.

"This I enjoy - and they pay you. Sod acting for a lark," is how he remembers his reaction. At 24 he is nearly half way through a two-year traineeship with Independent Television News and the third person in its Moscow bureau, earning just over £16,000 a year and occasionally staffing the bureau alone in an emergency.

He has already achieved one ambition - to hear himself saying the words: "Oliver Phillips, ITN, Moscow." Oliver Phillips's way into

broadcasting was more than a little unusual. He was also extremely lucky to get one of ITN's three or four traineeships a year. More than 400 apply, and

people like Mr Frank Miles. the manager of the FTV trainee journalists course, is looking for real evidence of prior commitment, ranging from hospital radio to summer shifts on newspapers or television

companies.

Most of all Mr Miles is looking for "that spark, that enthusiasm, that determination to get up and do something about iournalism"

However, at the moment recruitment prospects in ITV as a whole are bleak, with staff in the run up to next year's competitive tenders for new franchises.

According to Mrs Sue Davis, training adviser to the ITV companies, "there is virtually no recruitment going on at

The big exception is the 100 or so sales and marketing jobs

that come up every year.

Over at the BBC the variety of opportunities is much greater, with formal schemes covering everything from studio management, local radio and the World Service to production and news. About 70 places a year are available, although the competition is intense, with often many hundreds of applicants for each

"You have got to have something to say about yourself that is relevant. Being captain of the school hockey team or head boy or head gui is not enough," says Fiona Russell, the BBC's corporate

recruitment officer. Ms Russell adds, however, that the BBC has been intensifying its efforts to make sure new staff reflect the composition of society better than in the past.
Although the BBC would

clearly like to have more recruits from a non-Oxbridge background, Oxbridge graduates do continue to shine. "It's something in the water. They know how to market

themselves," Ms Russell said. This could mean more mature entrants and not quite so many vacancies for bright young things. The BBC also stresses that no jobs are exclusively reserved for

graduates.

Applying for a broadcasting job at the BBC is not a task for the fainthearted, and Flona Russell says it takes about a week to fill in the application form properly, complete with thoughts on new programme ideas. More than 6,000 forms are sent out, but only about 2.000 come back.

Applicants for radio jobs are sent a blank tape. On one side applicants construct a radio news bulletin from a bundle of press releases, and on the other they conduct an interview with a newsworthy person in their community.

In spite of the difficulties of getting a first job in broadcasting, particularly with the established broadcasting organisations, overall the prospects have rarely been better, with the launch of new commercial radio stations, both local and national: the arrival of satellite television; and plans for a fifth national television channel.

Noel Gay Productions, for example, which provides light entertainment programming for British Satellite Broadcasting, recently took on 100 people, many of them

The move to independent production is one of the most hopeful developments for would-be broadcasters, with the government insisting that the independents should have access to 25 per cent of Britain's television channels.

There are now more than 1,000 independent production companies, and for many the best chance of getting into broadcasting is to get a job as a "runner" or office assistant in a small production company – and learn from

To encourage proper sector has set up the Independent Media Training Federation which has produced a guide to careers in the television, film and video industry.

How does it suggest a broadcasting hopeful avoid being one of the thousands rejected every year?

"By being extremely realistic, finding out what the different parts of the industry leads to the second sec

look for, both at the entry level and subsequent stages, matching yourself against suitable vacancies, and then persuading someone very effectively to give you a

Further information: Independent Media Training Federation, 26 Noel Street, London W1V 3RD.

**Raymond Snoddy** 



CHARITIES CHEMICALS **CIVIL SERVICE** COMPUTING CONSTRUCTION

#### **CHARITIES**

#### Where conscience rules the pay packet

FINAL-YEAR students, faced with the terrifying prospect of committing themselves to a career, are increasingly rejecting the money-driven aspirations which coloured the 1980s and turning to the non-profit sector.

A recent survey by KPH Marketing reveals that almost three-quarters of students polled would expect an employer to have a socially responsible corporate image.

Opting for a career with a conscience does not mean. however, that the road to employment is going to be any easier. In fact, it is likely to be much more difficult. Charities, which depend on the goodwill of others, are largely uninterested in the idealism of raw graduates.

Olga Johnson, managing partner at Charities Recruitment, an agency which scouts out talent for the non-profit sector, sees few mitial opportunities for the graduate. "At the moment, charities want people who are running when their feet touch the ground." And that means experience. "Once they have at least the first year of work under their belts, they will be a much more attractive proposition," she says. Getting that experience

requires research into the type of charity work which interests you, and then approaching a suitable organisation. The Family Welfare Association publishes details of all registered charities in its Charities Digest, while the Charity Aid Foundation lists the top 400, along with addresses in its Charity Trends magazine.

The next thing, according to Sam Osmund of recruiting agency – and charity – Charity Appointments, is to do volunteer work. "From the credibility point of view, if you've never done anything in the voluntary sphere, your application may look hollow. But it will also give you a taste for the satisfactions and frustrations of the job."

Charity Appointments (3 Spital Yard, Bishopsgate, London E1 6AQ) publishes a useful booklet describing the opportunities in the non-profit Most charities agree that

voluntary experience is vital. Charlotte McDouall, of Amnesty International, says specialised knowledge of a particular region is required for most Amnesty posts and recommends at least a year abroad. "Graduates who have strong links to a region and who have done voluntary work stand a better chance of . getting in than someone with

a brilliant degree."
Training graduates is out
of the question for most charities. Fifty per cent of graduates leave their first job within a year. Non-profit organisations cannot afford to pour money into such a transient workforce.

The NSPCC is one of the few charities to run a graduate training scheme. But since 1987, places have been cut from three to one.

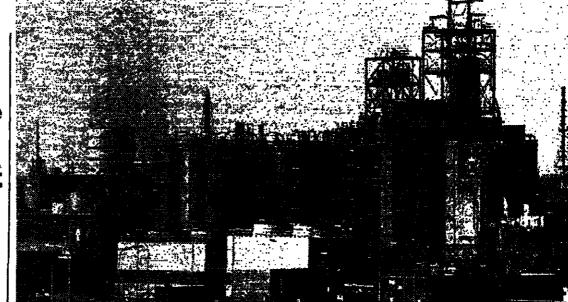
Your best bet is to go into the business world and get some experience - in marketing, for example. "The snag is that if you stay too long in the business sector, your salary aspirations may get out of line with what charities offer," says Mr Osmund.

Salaries will never be high at entry level. Small organisations tend to offer about £7,500 to £8,000, while the higger charities start at about £15,000. Eventually, the top jobs in charitable organisations rival even the business sector at £50,000 to £60,000 for directors. "It's a big business," says Stephen Lee, director of the Institute of Charity Fund-Raising Managers. But it is a business managers. But it is a business activity "which big business could not deal with effectively," he says, "Where else would an appeals director, with 400 staff, have to raise £40m a year and at the end of that year give all that money away to the charity to spend. The bank would laugh you out of court."

Mr Lee's advice is to examine fund-raising, where charities are increasingly looking to graduates. Other types of jobs include general administration, management, finance, social work, editors.

The charities most amenable to green graduates are environmental organisations, says Ms Johnson, Small organisations mean a broad range of first-hand experience and prove the best training

Although the way in to paid charitable work is bound to



ICI petro-chemical plant in Wilton, Cieveland: Britain's biggest manufacturer is cutting its intake this year to 350 graduates

able to survive for lone without graduates. The recruitment crisis now being felt in business will soon affect the non-profit sector. Further information: Charity Appointments (see

above) or Charity Recruitment, 11-15 Betterton St, London WC2H 9BP. Telephone: 071-379 0344

Peggy Hollinger **CHEMICALS** 

#### Industry beset by a pollution problem

THE CHEMICALS industry has a problem. It needs people with good scientific credentials who are not put off by its image as an environmental hazard. But for those graduates who are willing to look past the image - or who perhaps are not squeamish about environmental issues - the industry can offer some of the best industrial opportunities. The UK chemicals industry,

with annual sales of about

625hn, is one of Britain's biggest manufacturing sectors. It is also in a much healthier state than many other areas of industry, with a balance of payments surplus of about £2bn and a good growth and profits record.

Chemicals in the UK is also a highly international business. Many chemicals companies based in Britain export 70 per cent or more of their production and have many overseas bases. More than in almost any other industry, the chemicals sector thinks of its sphere of operations as the world rather than a single country.

The business spans a great many sectors. It covers chemicals such as drugs and agrochemicals which are made in small volumes, to bulk materials made in huge plants at the rate of hundreds of thousands of tonnes a year. The selling price for chemicals extends over an

even bigger range, from a few hundred pounds a tonne for many bulk materials to thousands of times this figure for specialised industrial additives or raw materials for medicines. The pollution issue is one

of the biggest problems facing the industry. Executives in the sector realise they will have to do more to make their plants produce smaller volumes of unpleasant or dangerous wastes and also tackle some of the difficulties associated with disposal of chemical products. Disposing of plastics waste

 a large component of domestic rubbish - is a case in point. Several chemicals companies have in recent years announced recycling programmes intended to take such waste and refashion it into new products. One example is to turn drinks bottles made from polyethylene terephthalate into specific, relatively low-grade products such as fence posts or building material. Another difficulty for the

industry concerns the tough time the sector is going through in much of the developed world. Chemical industry profits hit record highs in 1988 and 1989. However, in the past year profits have dropped as demand has slackened off in many nations, particularly the US and UK, as a result of a cyclical downturn in the industry. Some analysts assert that

the business could be facing another recession which brought it into deep trouble in the early 1980s. Others, however, say that the reduced

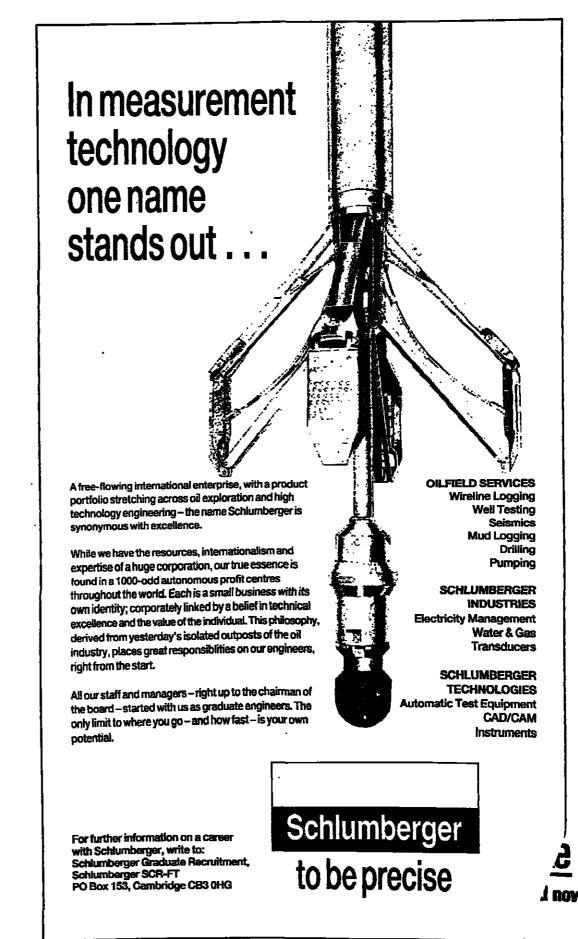
profits are simply a return to "normal" trading conditions after the peaks of profits in the late 1980s and that the industry is still basically in a healthy shape.

The chemicals industry in Britain recruits about 1,200 graduates a year, roughly a quarter of them chemists. These people can do a variety of jobs in research, marketing, plant operation and administration.

Imperial Chemical Industries, Britain's biggest manufacturer, is the leading UK chemical company and the fourth largest worldwide. It is also one of the UK's biggest employers of graduates.

The details of ICI's recruitment round this year illustrate many of the general trends in this industry. The company intends to cut its graduate intake by 12 per cent this year compared to 1989, as part of a process of adjusting recruitment levels to meet changes in overall business conditions.

ICI plans this year to recruit about 350 graduates, three-quarters of them for scientific and engineering jobs compared to 400 in 1989. It say it is in line to meet its target number of recruits, who shoul start work at the company in the autumn. The cut in Continued on next page





Continued from previous page graduates — which comes after a big increase in ICI's graduate intake in the past few years

fits the thoughts in the industry that more difficult times are ahead.

In this year's recruiting, ICI has found it relatively easy to attract graduates in engineering, but has found it harder to gain recruits in disciplines such as chemistry. Salary levels for this year's

intake of graduates at ICI give some idea about the kind of pay such people can expect, with the proviso that graduate pay at ICI is, in many cases, 10 per cent above the average.

Most people with first degrees entering ICI this autumn will be paid between £12,100 and £14,300, compared to a range between £11,000 and £13,000 in 1989. Recruits with doctorates and other higher degrees will be paid between £15,800 and £17,050, up from £15,000 last year.

After ICI no single company in the UK chemicals business accounts for more than about 100 graduates a year, with Glaxo and BP Chemicals taking in roughly this number. Shell, Albright & Wilson and Exxon are other significant

employers of graduates. Chemical engineering is one of the specialised disciplines required in the chemicals industry. Many more chemical engineers will probably be required in the next decade to tackle some of the pollution

According to a recent survey from the Institution of Chemical Engineers, engineers in this discipline are more highly paid than from any other professional engineering discipline. The median salary for a chartered chemical engineer is now nearly £27,000, a rise of 22 per cent from the 1988 level of £22,000, the last occasion when the institution did a comparable survey.

The top 10 per cent of chemicals engineers can expect to receive a median salary of nearly £44,000, according to the latest survey. Further information: Chemical Industries Association, Kings Buildings, Smight Square, London SW1; Institution of Chemical Engineers, 165 Railway Terrace Rugby CV21

Peter Marsh

#### How to get high in drugs trade

MANY people associate the pharmaceutical industry with profiteering from people's illnesses. That is a sentiment which, even though it appears to many within the business as woolly-minded and illogical persists, in spite of all efforts by the industry to encourage the public to have a more positive perception of its activities.

The drugs industry in Britain and many other developed countries is among the biggest private-sector employers of scientists. It needs these people not only to work on the biology and chemistry principles associate with new drug development but to supervise the clinical trials on patients which are a vital part of bringing new medicines on to the market. Many in the UK industry

believe that recruitment difficulties lie ahead. This is not only because of the problems of attracting scarce scientists, at the level of new graduates and more experienced people, to an industry that is some way down the ratings in terms of overall popularity. Pay levels are a problem, too. When compared with other sectors such as financial services and accountancy, scientists' salaries in the pharmaceutical

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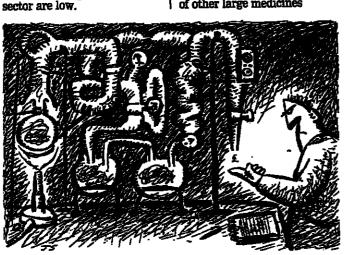
None the less, the drugs industry in Britain touts its image as one of the UK's most successful science-based sectors, offering good prospects for workers. The business is commercially very healthy. It has an annual output in Britain of about £5bn, contributing some £800m to the UK balance of payments.

International opportunities for scientists entering the industry are improving as Europe gears up for the abolition of trade barriers across the European Community after 1992. There are good prospects for UK science graduates, for example, working in a number of other European countries where the drug industry is keen to increase its supply of qualified people. Pay levels abroad are often higher than in Britain.

The industry is generally seeking graduates with degrees in chemistry, biology, pharmacy and pharmacology. Graduates can expect to work on a variety of research and development programmes either in the area of pure research aimed at uncovering disease mechanisms or in managing trials, which is a vital part of all drugs work

before marketing. Large UK-based drugs companies include Glazo, Wellcome, SmithKline Beecham, Fisons and the pharmaceutical division of Imperial Chemical Industries. Smaller groups which also are significant employers of graduates include Smith & Nephew and Boots.

Britain is also home to the research laboratories and production centres of a number of other large medicines



If the idea of a lifetime saying "yes, Minister" palls and the prospect of power is what motivates you, choose politics instead

husinesses which are foreign-owned. These include Hoechst of West Germany, the US's Merck and Pfizer, France's Rhône-Poulenc and

Ciba-Geigy of Switzerland. The UK medicines industry is a heavy spender on research and development. It spends about £700m a year on this area, some 15 per cent of its total output. It employs 15,000 people in R&D, roughly half of them scientists and, out of the 750 or so graduates it will be aiming to employ in an average year, some two-thirds will be for scientific jobs.

The sector expects problems in finding enough people for the non-research jobs such as marketing and administration. But these difficulties do not compare with the expected difficulties in filling scientific vacancies.

A big problem is that many cientists, especially chemists are not enthusiastic about entering industry, according to Mr Ray Cowie, graduate development manager at Wellcome.

Wellcome's experiences this recruiting round are probably typical of many other companies. It is hoping by the autumn to recruit about 55 new graduates and Mr Cowie says he is confident he will get "85 90 per cent of the target". About 70 per cent of the total will be scientists and

15-18 of these chemists. The difficulties have been underlined by recent reports warning of skills shortages facing the sector. A study in 1989 by the Association of the British Pharmaceutical Industry, the main trade body for the business in Britzin, said that most UK drugs groups were extremely worried by likely shortages of research people in the 1990s and that this could harm the sector's economic potential.

Other studies have talked about likely shortfalls in numbers of people skilled in biotechnology.

One problem in recruiting new graduates is a widespread belief among scientists that much research in the pharmaceutical business is intellectually unexciting.

To some degree this is true, and researchers in the sector will probably find they are given less freedom to investigate genuinely new areas of science than in a research environment of a university. However, the fact that most drug companies are much better endowed financially than the average academic institute acts as a counterbalance. Further information: Association of the British Pharmaceutical Industry 12 Whitehall London SW1A 2DY 071 930 3477

**Peter Marsh** CIVIL SERVICE

#### A separate breed running the nation

GOVERNMENTS may come and go, but civil servants run the show. Because they are responsible for putting government policies into place, they can shape legislation, sometimes in a manner that does not conform to the plans of the framers. At the top, the civil service

sense of discretion have been

route, via the minister's is still a separate breed. Today's senior officials were largely recruited in the 1960s. Their loyalties and inbred

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service of those at the policy of them have never worked core and those out managing outside the civil service, except perhaps for a secondment with the agencies. As for entrants, many a private company or with

some other sort of public sector body.

This lifetime training in the Whitehall mould has set them apart. It matters much more than whether they are public-school-educated are not - or Oxbridge graduates. The point was that once within Whitehall, there was little doubt that was

where they would stay. to get entrants from But it is changing. If you are successful in the fast-stream entrance exams you will still be regarded as towards non-Oxbridge. the cream of the civil service. It will be assumed that you of the successful will be getting near the top

by the time you are 45-50. In reality, you may well not make Whitehall your whole career. The civil service is not what it was when today's permanent secretaries were appointed. Young people are more likely to change employers, although that is a development with which the civil service has not yet come to terms.

traditional ideal of public service is not what it was. It was already receding before Mrs Thatcher came to power. Her periods of office have undermined it more.

So if the prospect of power is what motivates you, you might be better taking your chances on the political path.

On the other hand, if you want to learn management skills, there is plenty of opportunity in the civil service. Even those who make administration their goal will probably have to do a spell helping to manage one of the agencies being set up to carry out the huge volume of government executive work

The scope to be a top-flight manager, however, will be limited. Public spending constraints must continue to define the limits of management freedom. The absence of a profit and loss account in government activities makes it more difficult to assess achievement, and therefore reward. Pay is more flexible in the civil service than it was 10 years ago, but there can be no pretence that a top civil servant will earn anything like

a senior business manager. There are no perks like a company car, expense accounts or subsidised mortgages, although the pension arrangements are good. Retirement at 60 leaves many energetic civil servants free to take top jobs elsewhere.

On the other hand, job security is very much higher than in the private sector. Promotion to a respectable grade is likely, unless you do something really awful. There is considerable variety, and swapping between different departments is certainly easier than changing employers in the private sector.

If you make the managerial side of the civil service your career, you may well be able to spend most of your working life outside London. The departments of health and social security, for instance, are moving most of their head office staff to Leeds. The Inland Revenue, and Customs and Excise are dispersing senior people around the country.

Management training is provided for all senior civil ervants today. If you want to pursue the more traditional high flier

private office, London will still be a must. The danger is that the splits between managers and policy makers/advisers, and between London and the rest of the country, will become increasingly trenchant interpretation test and a data sufficiency test, a mind-bending exercise to identify the least amount of

information you need to solve

Like all exams, much depends on technique. Many

applicants spend too long grappling with the frustrations of individual questions and

are unable to finish them all.

Speed is of the essence. Don't

marked by computers anyway

- and guess at answers you're

unsure about. If you get really

picking your favourite letter

spaces. Many applicants fail

by the narrowest of margins and a few "random" points

could make all the difference.

first hurdle, although there

re-sitting the qualifying tests at a later date. In 1989, only

qualifying tests out of the 1,505

Candidates who do pass then move on to the delights of Civil

rvice Selection Board, a

stuffed with interviews, group

two-day selection course

discussions, and written

where the "need is for

exercises. One of the tests

of a delicate matter". The

assessors are looking for

but who are flexible and

For those specifically

grunted at in a language

another joy awaits - being

are expected to show some

subjected to a parrage of

linguistic aptitude and so are

screams, gurgles and strange noises. The idea is that you

should be able to interpret

these wailings, learn some

vocabulary and be able to

of this peculiar language.

of success although it is

undoubtedly a help.

grasp the grammatical basics

An ability to speak other

Of the 200 people who attended Cisby last year, 85 were recommended for the

final selection board. This

interview with a panel of

sors. The chances of

John Thornhill

surviving this are high. Last year 65 were offered jobs.

**Scientists** 

Whitehall's

**EXCELLENT** facilities and

intellectual freedom" are the

two main attractions the civil

There are, of course, certain

constraints on freedom. A number of the jobs relate to

the career for pacifists. But

efence work, so this is not

there are many more peacable

areas of research sponsored

by government, ranging from the greenhouse effect and buildings (the Building Research Establishment) to

fluid dynamics and robotics

in the National Engineering

The variety of disciplines

appeal to graduates. Each year,

about 460 science graduates are recruited, making the civil

the civil service offers can

tackle

hurdles

service has for science

Service Commission

responsible for their

recruitment.

Laboratory.

graduates, says the Civil

consists of a gruelling

languages is not any guarantee

interested in the Foreign Office

laboratory. Potential diplomats

fair-minded.

requires you to draft a letter

sensitive and tactful handling

people who can express themselves clearly, in conversation and in writing,

271 applicants passed the

is nothing to stop you

people who sat them.

Most candidates fall at the

and filling in all the remaining

be afraid of giving stupid answers - the tests are

tight for time, it is worth

a problem.

Oxbridge students take the fast stream entry exams almost as a matter of course. Students at other universities and polytechnics seem much less aware of what the civil service has to offer, and think that they will fare badly in the highly competitive exams. But the Civil Service Commission - responsible for recruitment says that it is just as keen

non-Oxbridge students. The results of exams show that there has been a definite swing Women make up about half

administrative candidates, although the proportion is lower for entry to some of the specialist areas. Efforts to promote equal opportunities in the civil service for women and ethnic minorities have been stepped up. Women are moving up the ladder, but slowly, and perhaps largely because their male colleagues are more likely to quit the civil hardly made an appearance yet at the higher levels.

**Hazel Duffy** 

#### Exams are groovy but the work's a grind

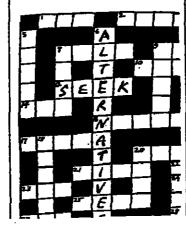
IT IS sometimes snidely said that the civil service exams are a lot more fun than the work you are likely to do if you pass them.

Naturally, civil servants contest that assertion, but most probably agree that the exams are indeed enjoyable. Just sitting the exams, whatever the outcome, can also be a very useful experience since they form the basis of many companies' assessment programmes.

The selection procedure for the civil service's fast-stream recruits has three elements: a qualifying test; the civil service selection board (or Cisby); and the final selection board. This series of ments forms one of the most stringent selection procedures in the world. The initial all-day

intelligence test contains seven multiple choice sections designed to evaluate candidates' use of words and general reasoning skills. Crossword enthusiasts will be in their element as candidates are asked to juggle with words, their meanings and applications. If you cannot remember what adverbs, nouns and participles are and what they do, it would be well worth finding out.

Later, you have to play a form of dominoes, which, you'll be pleased to know, is ment of non-verbal deductive reasoning and flexibility of thought." There is also a statistical



single recruiters. Most come straight from universities and polytechnics. Vacancies which departments expect they will want to fill are advertised in a guide published by the Civil Service Commission. Some jobs are also advertised in specialist publications, usually the New Scientist. Commission staff say they also try to visit every university and polytechnic each year to talk

about prospects. Students interested in a scientific career are not required to take the qualifying test which prospective high-flyer entrants must sit. Selection is by interview the Commission conducts about 5,000 each year.

The strong bias towards Oxbridge which has dominated selection has declined in recent years, although many students at other universities, and particularly polytechnics, still assume it is not worth their while attempting the entrance procedure. This is not the case for the scientific civil service, says the Commission. Top suppliers of recruits have included Reading and Leeds universities, for instance. HNC or HND qualifications, are accepted as entry to the scientific officer (SO) grade as well as students expecting

to get a degree. Starting pay for an SO in 1990 will be between £9,900 and 213,800, depending on location and discipline of the work. Graduates with four years' postgraduate or other approved experience can earn up to £20,000.

Promotion might require some managerial and administrative work to be combined with research, but scientists who want to concentrate on their special field can be promoted - and therefore go up the salary scale
- without changing their jobs.

Those who enter as SOs should, by their mid-30s, have reached Grade 7, which pays in the region of £30,000. After that, promotion depends on ability and the sort of jobs on offer. The research agencies are in the process of being given more managerial independence as executive agencies - part of the Whitehall reform movement inspired by the Next Steps report. These will be headed by a chief executive. Outsiders will be eligible to compete, but insiders stand a good chance of being appointed, judging by the progress to date.

At the very top are the scientific advisory posts in most departments, which are secretary level

The drawbacks of the civil service for many people are the rigidities of its structured organisation. Science graduates have tended to be shunted into specific jobs. The complaint of critics is that the arts, and classics, still predominate in the top echelons of Whitehall. There are few science graduates advising ministers on policy.

In the past couple of years, the Commission has tried to redress the imbalance, and to widen the opportunities for science graduates in management. The new scheme for science management trainees is similar in some respects to the "fast-stream" administrative trainees. Candidates need a good degree. They are selected at interview (no qualifying test), but must then go through the same Civil Service Selection Board and Final Selection Board procedures as their administrative colleagues.

They start on higher salaries, initially in the scientific arena they must prove themselves as good scientists - and can then expect promotion which will be more rapid than for the SO recruit.

Only 15 such trainees have een taken on to date, fewer than the Commission had hoped. Probably, it needs to get its message over to final-year science students who might not previously have contemplated the civil service. Whitehall is becoming more managerial-minded, but it takes time. Alert students would be forgiven for seeing Whitehall officials as plodders putting over their wares, compared with some of the slick presentations by private

sector interests. The research reputation a scientist can win in the civil service, however, is reflected in publications and conferences, where they figure prominently. Projects are obviously less commercial than in the private sector, although all areas of the civil service are being encouraged to think more about selling their

expertise to new customers. It would also be unrealistic to assume that the public sector will fund projects regardless of the state of the public purse. Bureaucratic hurdles can still be highly frustrating, however much Whitehall is trying to change its image. And, at the end of the day, the pay will never be

On the other hand, security of employment is much higher in the civil service.

#### WS/Atkins ersonnel Director WS Atkins Woodcote Grove Ashley Road Epsom Surrey KT18 5BW

#### COMPUTERS

#### You don't have to be a nerd to make it

A COLLEAGUE who read English at university but who has since achieved distinction in a computing career, remembers with gratifude advice she was given on graduation. "Computing," her mentor said, "is too important to be left to the technologists."

It was an acknowledgement of the fact that with the advent of microprocessors and the personal computer, computing, once the exclusive concern of computer scientists housed in data processing centres, has become a tool for everybody. Indeed, the majority of jobs

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in the computing business are not only open to non-computer specialists, but employers frequently prefer graduates from other disciplines. One data processing

manager spoke for many: "People with a vocational training are of no interest to me. What I need is people who can think, think, think!" He was exaggerating but he was nevertheless making

a serious point - that commercial data processing offers only limited opportunities to computer "nerds" who are interested only in bits, bytes and bandwidth, and have no grasp of, or enthusiasm for, the business of business. Of course, there is a role for the technical specialist, but usually with a manufacturer, software house or systems integrator rather than a commercial company.

Mr Rob Roseveare, careers manager at the National Computing Centre, the organisation which seeks to help British firms make the most of their computing, says employers are often dissatisfied with computer science graduates who, he says, take courses too theoretical and remote from the realities of commercial data processing.

So graduates from virtually any discipline can make a 🕟 successful career in data. processing, given that they have some basic mental attributes which include: ■ A reasonable level of numeracy. Employers are looking for people who are not degree level mathematicians

or physicists; **■** Competence in verbal reasoning. A prime requisite in business is the ability to argue a case, say for

investment in a new database. clearly and cogently; ■ Speed and accuracy. Most business opportunities have only a limited window in time before competitors catch up or move ahead. There is no room in business for a dilettante approach to creating systems:

 Spatial ability, or the knack of thinking in three dimensions. One of the attributes which distinguishes the natural computer programmer.

Mr Roseveare puts it more pithily: "Employers are looking for people who can communicate, who can listen and who can create order out of disorder."

A good example of an employer anxious to recruit humanities graduates for data processing is Boots, the narmaceutical chemist, based in Nottingham. As befits a household name

in the UK with a presence on virtually every major High Street, Boots has a large data processing department, 650 strong, and recruits about 25 trainees a year. Mrs Nicky Hill, Boots recruit manager for information systems, says most trainees are recruited from universities and polytechnics, although increasingly the company islooking at people with lower

qualifications. Boots is anxious to recruit non-computer scientists because it believes personal qualities are as important in the making of a programmer as technical skills. Mrs Hill says she looks for logical thinking and attention to detail as the principal

attributes. Trainees are taken on at a starting salary, in Nottingham, of £11,000 to £11,500. Every trainee goes through three months' basics before two years of training in systems analysis - working out the nature of a business problem and designing a solution; and programming - writing the coded instructions which drive the computer. There is the opportunity to move from data processing into the

mainstream of the business. The banks are substantial users of information technology. National Westminster, for example, has a team of 1,800 data processing specialists and takes on



The computerisation of the arts graduate can be a real horror show

graduates. Ms Colleen Guy, IT recruitment manager, says the bank will take graduates with any degree, provided they have basic ability and potential. Over the years, the computer industry has developed a set of aptitude tests which sort those happy to write Cobol code from those who could not bear it. Everybody has to undergo the same training, provided by the bank's 35 strong

training department. Typically, a graduate trainee in London will be paid £10,800 with £3,275 London allowance, and all the special advantages of a hanking career including

low-interest mortgage.

After three weeks with the bank, a NatWest analyst trainee could expect to be working on a live project designed to improve the bank's profitability.

The fact remains that virtually everybody employing data processing staff complains they find it difficult to attract arts and social science graduates.

But business is changing, and a firm grounding in information technology is becoming essential for the ambitious executive. There is a great deal of interest these days in the concept of the "hybrid manager" with data processing knowledge and business skills. Further information: British Computer Society, 13 Mansfield Street, London W1M OBP (Tel 071-637 0471): Computing Services Association, Hanover House, 73-74 High Holborn, London WC1V 6LE (Tel 071-405 2171); National Computing Centre, Oxford Road, Manchester M1 7ED (Tel 061-228 6333).

Alan Cane

#### It's not just a pretty interface

A GRADUATE of 1960s vintage transposed to the 1990s would find the UK computer industry had changed out of all recognition in three decades.

The differences are evident in the industry itself, in the manufacturers of computer hardware and software, and in the way computer systems are used.

There are, for example, only remnants left of a UK-owned computer hardware business. International Computers (ICL) the UK's only mainframe manufacturer, was sold to Fujitsu of Japan earlier this year. The hardware manufacturing arm of Apricot, formerly the UK's largest workstation manufacturer, was likewise sold in 1990 to Mitsubishi, also of Japan,

These sales leave Amstrad, the consumer electronics group best known for word processing systems and home computers, and Research Machines of Oxford, as the UK's largest computer

services sector, a heterogeneous collection of companies including software houses, consultancies and specialists in systems integration. Sema Group, the largest UK software house by market value, is now essentially under French management - it was formed by the merger of Cap Group of the UK and Sema Metra of France. Earlier this year, Hoskyns of the UK was bought by the French group Cap-Gemini-Sogeti, which is the largest European

computing services company. Add to this the fact that the JK computer industry. hardware and software, is going through a bad time because of the economic situation, and the question has to be asked: is computing in the UK still a healthy career option?

The answer is yes; partly because the computer industry is not homogeneous, but two industries in one. There are the manufacturers of bardware and software houses; and then there are the companies which use computers and which need to have their own data processing personnel. The hardware makers include mainframe computer manufacturers such as International Business Machines, ICL, Unisys, Digital Equipment and NCR. There are still jobs for hardware specialists in the UK, but not in the numbers there would have been a few years ago. These companies are owned by parents overseas, and most of the basic research is carried out in their country of origin.

ICL is a case in point. After the Fuiitsu takeover, it is likely that design work on ICL machinery will continue in the UK. The company is particularly good at distributed processing systems - where small computers in departments or subsidiaries are linked over telecommunications networks to corporate mainframes of the kind that will be increasingly important to businesses in the 1990s. But since 1981, ICL's basic technology – its microprocessor chips, printed circuit boards, cooling systems and so on - have been supplied by Fujitsu under a

special agreement. IBM, the world's largest computer manufacturer, splits its research and manufacturing activities between a number of sites worldwide. Greenock in Renfrewshire, Scotland, for example, is its European centre for personal computer manufacture; and Hursley Laboratories, in Hampshire. is one of its principal centres

for research on the

the relationship between computers and the users. NCR, based in the US. designs and manufactures automated teller machines (ATMs) or automatic cash dispensers for the world market from its facilities in Scotland. Digital Equipment and Hewlett Packard of the US have research centres in the UK.

So there are a broad range

of options for hardware

"human-machine interface".

British-owned computer manufacturer have diminished but the computer business

is becoming increasingly global with its technology centres in the US and Japan. If there is to be a renaissance in the British computer industry, it will turn on the

ways these chips are designed into imaginative new business equipment that can be sold on world markets. Software specialists have

two choices. They can work for computing services companies, where the work will often be at the leading edge of computer technology, or they can work in the data processing department of individual companies. Here the techniques used may not be as advanced, but in exchange graduates have the satisfaction of working on systems that directly affect the profitability of their employer's business.

It is in the applications software area that a 1960s graduate would see both the biggest similarities and the biggest changes. First, Cobol, the Common Business Oriented Language, which enabled commercial computing to make huge strides in the 1960s is still the most popular programming language. Second, proprietary architectures manufacturers' own designs and operating systems - are beginning to give way to a common, industry standard operating system based on Unix, an operating system developed by AT&T. Many graduates in computer science will have used Unix during

#### AC A cast of thousands needed in technology

their academic career.

COMPANIES' plans for recruiting data processing staff have been cut back somewhat this year in response to slower growth in the UK economy. In the long run, however, it seems likely this will be seen only as a blip in an otherwise upwards trend.

According to the National Computing Centre, there are about 260,000 people working in computing jobs in UK user organisations - that is, in companies which maintain a data processing department to run their computer systems but which do not make either hardware or software.

The demand for skilled data processing specialists is growing at about five per cent a year, and there are not enough new people entering the industry to satisfy this increasing demand. In addition, the NCC says, there are roughly 20,000 vacancies at any time for computing jobs which means that there is about an 8 per cent skills shortfall in the UK.

The main areas of concern are programming and systems

communications and networking specialists as companies move to distributed computing, where telecommunications is the glue that holds networks of departmental computers

together. The problem is just as serious for hardware and software companies; in the past few years the principal constraint on business for UK software houses has been a shortage of the right kind of computer specialists.

Pagoda, a London-based consultancy established to advise companies on dealing with the problem, believes the demand for highly qualified computer specialists exceeds supply and is likely to do so indefinitely.

The larger UK computing companies play a big role in recruiting and training graduates, but they are all influenced by the economic climate. STC, for example, which will continue to own all of ICL, the UK-only mainframe manufacturer, until November 1990 - when it will sell a majority share to Fujitsu of Japan — is recruiting just over 400 graduates this year, compared with 500 previously.

It takes graduates from all disciplines, but about 35 per cent of the places it has available are filled by students it has sponsored through university or polytechnic. Sponsorship is a popular form of preliminary stiting mechanism with STC, says graduate recruitment manager Robbie Cookman. It takes a lot of the guesswork out of recruitment, both for the company and the student.

It also has special relationships with a number of institutions - Manchester University, for example, where the earliest British computers were designed and built; Loughborough University and Queen's Belfast, near the company's Monkstown manufacturing plant. By virtue of its role as a

designer of computing and telecommunications hardware, STC takes on many people with a computing or scientific background - perhaps 300 of the 400, but fewer than 100 will be recruited for hardware

design.
ICL is today very much a "systems integrator", specialising in putting together

hardware and software to solve its customers' data processing problems. In consequence, software has a much higher priority, and most of the graduates who enter ICL on the technical side will work on software. The company also recruits graduates for a range of roles including marketing and sales support, for which some knowledge of and interest in computing is

desirable but not, at first at any rate, essential The same pattern is apparent at International Business Machines. It is taking on 220 graduates this year, a slight increase on the year before. Most come from a scientific or computing background. The majority of recruits will train as "systems engineers", a title which sounds more technical than

it really is. Another principal route for graduates in IBM is into systems programming designing, writing and testing software.

Logica, a large computing services company, takes on about 200 graduates a year, of which most are computer scientists or come from other scientific disciplines. Mr Vernon Martinus, Logica's recruitment manager, agrees the company hires relatively few arts or humanities graduates "because we do not seem able to attract them". Certainly the thought of joining a high powered software house and being

pitched into project development work from the word go may be a little daunting for the arts specialist. But, Mr Martinus explains, the company has an in-house training operation - Sesame - which provides training for Logica staff at all stages in their careers. Newly-recruited graduates would spend a couple of weeks with Sesame learning the elements of essential computer languages like Cobol, Fortran or C. What are graduates paid when they join the industry? Logica is fairly typical. A graduate with a first degree gets £12,750, but there is a sliding scale up to £14,500 for people with second or further degrees. Progress inside the company depends on talent and application but can be rapid.

Alan Cane

#### PROFILE: SAINSBURY

#### **Putting** the byte into business

SAINSBURY, the UK's leading food retailer, is also a leader in the use of information technology. Its data processing centre boasts some of the most powerful commercial computers available -Japanese built ICL Atlas and Amdahl mainframes and an IBM 3090. It is all necessary; the Sainsbury group now turns over close to £6bn, the result of 8m transactions every week. each of which has to be recorded, processed and stored.

Mr Alan Jacobs, Sainsbury's director of data processing, makes it clear, however, that the profusion of computer power is simply a means to an end - to improve Sainsbury's business performance. An historian by training, he has little time for

in his 550-strong data processing division to have a strong interest in business rather than a passion for bits and bytes. It is important to understand what the busines: is all about," he says. "The

technology for its own sake

and prefers graduate recruits

technological side can easily be assimilated. I am looking for graduates who want to joi Sainsbury's, not the data processing department.

The company is at a crossroads in its development To a greater degree than man other UK retailers, it has sought efficiencies by automating its operations. No it is looking for ways to exter its effectiveness throughinformation technology. Mr Angus Clark, board director for distribution and data processing, describe it as moving from using computers to run the busines better to using computers to mm a better business. Mr Jacobs is looking, therefore, for graduates from any discipline with the basic aptitude to handle computing disciplines (aptitude tests giv a good indication) coupled Continued on next pa

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Robert Tourret and Sarah McKeown: attracted by training



Look back onder

ve years from now, we feel confident you'll be able to look back on some positive changes, both in your life and in our company. What's more, you'll have the satisfaction of knowing you helped to make them happen.

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**British G** 

DESIGN

Continued from previous page with liveliness of mind. An example is Sarah McKeown, 25, who comes from Somerses and who studied biology at Manchester University. She realised early in her course that the life of a biologist was not for her and on graduation went to Australia for a year working for a travel company.

She is working on Sainsbury's accounting systems as an analyst/ programmer. She says programming is a little like solving crosswords. She was attracted to

Sainsbury by the extent and quality of its training, something that also appealed to Robert Tourret, 29. He works with a team producing reports from data returned by laser scanning tills. His colourful curriculum

vitae before Sainsbury includes a degree in economics, politics and Russian from London University and six years nanaging a branch of Oddbins. He says Sainsbury was one of the few firms prepared to

ake him on and train him at an age older than most graduate trainees. Now he has completed his first solo project; a modelling method to stimate sales from stores that have, for one reason or mother, failed to return narketing data to the central lata processing centre.

Both Sarah and Robert agree ack of a formal computing qualification has been no abstacle to progress. In some ways, in fact, Mr Jacobs relieves it can be an advantage pecause all trainess have to ake extensive courses in the computer languages and nethodologies.

The courses include nstruction in Cobol programming, the most popular business language systems analysis, design skills ınd data analysis. After basic raining, graduates choose either to specialise on the echnical side, working on latabase analysis and design and technical programming, or on the applications side working with project teams and the information centre which helps non-data processing specialists develop heir own programs. Either oute leads to senior project nanagement,



Canary Whart: building is a business that is rarely predictable relation to the total staff

employed but having come round to the idea of employing

likely to trim rather than halt

their graduate programmes.

There are two benefits from joining the industry. First, it

predictable. It involves groups

of people joining up for two

or three years to construct permanent landmarks in the

environment and permanent

Second, graduates have

person in 100 in the industry

has a degree. And those that

Stuart McArthur, 26, is an

an area marketing manager

for Laing in the north-east he

planned to become a teacher.

He left Newcastle University

English in 1986 and then took a 12-month post-graduate

education course. But by the

autumn of 1987 he decided to

with an upper second in

join Laing's two-year

management development

programme. This gives the

who now start on £14,000 a

with various company

include a turn in the

monitors site costs.

on a site. Other postings

eight or nine arts graduates,

year, four or five month stints

estimating department, which

tenders for new work; buying,

which sources materials; and

The company also pays for

to attend a business numeracy

quantity surveying, which

all non-technical graduates

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and exhilaration of the project.

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graduates, companies are

is exciting: building is a

business that is rarely

CONSTRUCTION

#### Make your landmark in the cities

THE BIG issue in the construction industry is how to attract arts graduates into a £44bn-a-year business that's run by people with degrees in engineering, surveying and building.

These non-specialist degree holders are still as scarce as an uneventful day in the building industry. Valued for their intelligence they tend to rise rapidly and by their late 20s can easily double their £14,000-a-year starting salary. But what sort of jobs are there in the muscular world

of construction for a cloistered

23-year-old with a history

degree? Plenty, is the answer. Big building contractors turn over billions of pounds and employ thousands of managers. The construction sector employs more than Im blue-collar and 250,000 administrative staff, and companies, such as Wimpey, Laing and Bovis, need general management skills every bit as much as Shell or ICL

Although the construction industry is experiencing a severe downturn after several years of growth, graduates are still likely to be in demand. Alan Cane | Their numbers are small in

course at Middlesex Polytechnic to study for a

one-year part-time diploma. "At the end of the two-year spell, the discipline that attracted me was marketing." says McArthur. He is now responsible for generating new business for Laing in the Teesside and Durham areas. "The one thing I like about the construction industry is that it has an impact on the environment and that. everthing is geared up to working in teams."

Laing, which takes on 100 graduates in building, civil engineering and quantity surveying each year, began to look for arts graduates in 1986. "We were looking for people to help with the general management of our smaller businesses," says Elspeth Swain the firm's management development manager. "But some have moved into more mainstream areas.

What she means is that some arts graduates are now taking over jobs normally done by those with "proper" qualifications. But some who have spent five years gaining a BSc in building resent the unqualified newcomer and it may still prove difficult for generalists to get to the top.

The first profession to try to overcome this barrier is quantity surveying, which blends accountancy, law and technical expertise. Quantity surveyors can work either for a builder, helping to manage the project's finances, or for a firm of private quantity surveyors who advise clients.

Envious of the accountants who have long embraced the arts graduate, the QS profession has now provided a small bridge to allow such degree holders to cross over into the profession.

At Reading University a new two-year MSc course starts in December which will allow graduates to become members of the Royal Institution of Chartered Surveyors. It is hoped that between 15 and 20 students, sponsored by big contractors or QS practices, will take the part-time course. This will consist of eight one-week block courses over Further information: contact firms individually.

Peter Bill

DESIGN

#### Something of a hit and miss affair

THE CREATIVE ambition of young furniture makers is usually on a back burner during the first years after college.
It can be difficult to get jobs,

and in the past British manufacturers have been criticised for failing to tap into the valuable talent on offer from the country's many fine craft furniture graduates, who leave college with skills in both the designing and making of furniture.

The furniture industry is vast, ranging from large manufacturers to small craft workshops run by individuals.

For those graduating in fine craft, the first choice will usually be a small workshop where, although they are unlikely to design much of their own work, they will be working on one off private and small-scale commercial commissions

But with the absence of any formal graduate recruitment schemes for young furniture makers, the first years are nearly always something of a hit-and-miss affair. Dedication and the willingness to live on the breadline for a few years seem to be prerequisites for getting on in the fine craft world.

Claire Anthony, a graduate from Bucks CFE, complains about the attitudes of employers. "People forget we have got three years' experience in a workshop." she says. "I telephoned one furniture firm looking for a job, and they told me that they had taken on their quota of YTS trainees that year!"

"The biggest problem for graduates when they leave college is working to a commercial orientation," says Mr Ian Barker, who is responsible for all art, design, furniture and timber courses at the Buckinghamshire College of Further Education, in High Wycombe.

Mr Philip Hussey, who is course leader at Bucks for the BA (Hons) in furniture design and craftsmanship agrees that students have got to stick with furniture-making for the love

furniture-making for the love of it rather than for the money. His advice was clearly borne out by Adrian Jacobs, 24, who graduated in 1987 with an HND in furniture, design and craft. He has set up on his own and is paying himself a mere £200 a month. Immediately after graduating, he went to work for a small design company. After about eight months he left to work for a larger operation - Techfurniture which makes office and hotel furniture – to gain business

experience. Over two years he was involved in most areas of the firm's business gaining experience on both the design and management sides. He was earning about £18,000 and managed to save up enough money - £8.000 ~ to set up his own workshop.

His firm, Adrian Jacobs' Furniture, based in a small workshop in a sawmill just outside Great Yarmouth, employs only one person Adrian himself. He describes his output as "high quality furniture aimed at the corporate market". Funding came entirely from his own savings, and all the profit that he makes goes back into buying more sophisticated machinery.

Adrian's is a success story. His advice to fellow graduates is to spend time obtaining a sound knowledge of the furniture market before

attempting to go it alone.

Rad Segrt and Barnaby Scott
run a small workshop in
Oxfordshire called Waywood. Neither has degrees in fine craft. Rad graduated in botany, and Barnaby in forestry and agriculture. They employ one graduate from Bucks CFE and pay him £190 a week - more than they pay themselves.

"We have had a hard time building up a reputation," said Rad. "The hours are long — 10-12 hours a day, six days a

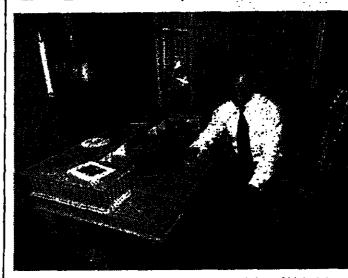
Mr Martin Grierson, a designer craftsman, who runs his own workshop in West London, takes on three or four graduates a year. They assist him in his one off commissions, all of which he designs himself. For the first three months they are paid: £180 a month, going up to £200 a month, with yearly increases after that.

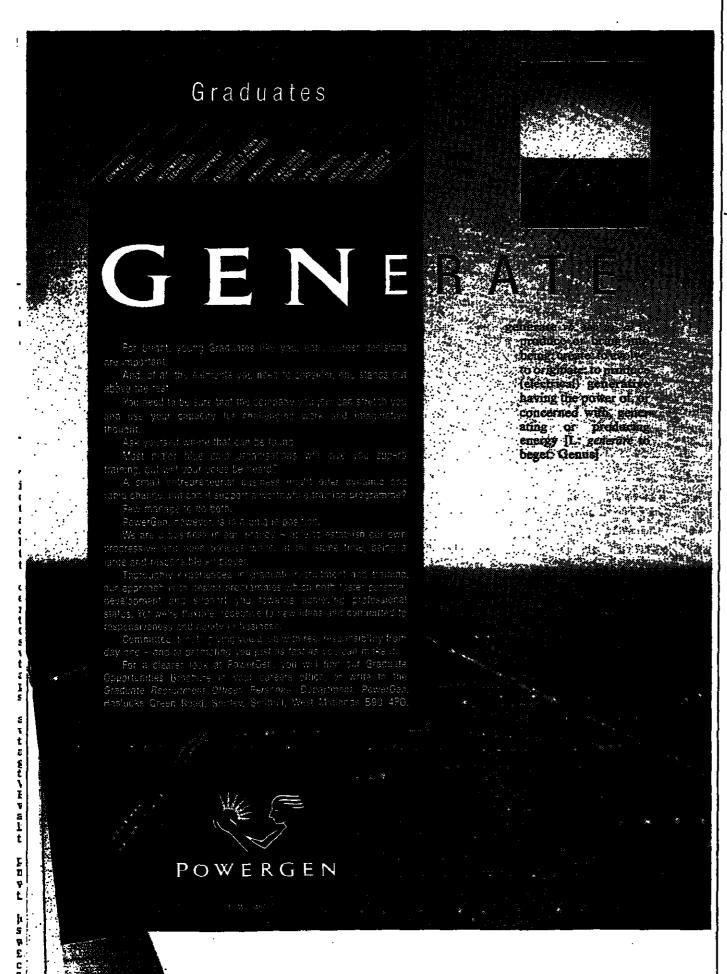
His advice to graduates looking for jobs is to stay in touch with their careers services. He has no trouble recruiting people in July and August, but often cannot find people in January.

For those hoping to work for larger firms such as G-Plan, Ercol-Furniture and Jaycee, the future is rosier. According to Ian Barker, the furniture industry is increasingly having to take in graduates for middle and senior managerial posts.

Further information: graduates would be best advised to seek advice from their training colleges.

**Emma Tucker** 





**ECONOMICS** ELECTRONICS ENERGY ENGINEERING ENVIRONMENT

Heaven is a spell in the **Treasury** 

**ECONOMICS** 

STEPHEN BELL, an economist at a London-based merchant bank, is a walking, talking advertisement for economics as a career. On television, where he appears frequently, he looks as relaxed as his suits look sharp.
There are three big groups

of professional economists. All of them, it seems, have at least one degree in economics. Some collect further degrees and doctorates for fun, and enjoy reading calculus in bed. These are the academics; then there are the public sector economists working for the Government Economic Service (GES): and the City economists - of whom Mr Bell is a

benchmark specimen.
A passion for the dismal science propelled him through a series of examinations and two degrees. By the age of 20 he had finished at the London School of Economics (where else?). At 21 he joined the Treasury – where he started a 10-year career muddying the waters of government policy by toying with capital flows

and exchange rates.
Ten years in the Treasury is a long time. After that, he was ready to follow the well-worn path of most of his colleagues in economics, which proceeds from good degree, via the Treasury, to the City. Not only are City firms paying for the expertise garnered by Treasury or Bank of England-trained economists; they are also paying for their connections and their insights into the way policy is developed. Mr Bell, for instance, can still call on

former colleagues in the Treasury to ask pointed

about policy. Securities firms are willing to pay a lot of money for those kind of connections, Indeed, when a high-ranking ex-Treasury officer is hired by a Japanese securities firm, they say that he has "descended from heaven".

This well-worn path is tracked primarily for financial considerations. However, in Mr Bell's case when he joined in 1974 at £1,994 a year "nobody got more money". Friends at stockbrokers overtook him only by earning big bonuses.

But now, the City especially since the Government privatisation programme so increased the Square Mile's capacity for economists — offers salaries considerably more than those offered by the public sector.

Like academic economists, such as Mr Simon Taylor, who teaches at St Catherine's College, Cambridge, for about £13,000 a year, those on the Treasury's payroll know the meaning of thrift.

An economic assistant straight out of university, (81 out of the total 421 in the GES, who work in departments ranging from Agriculture, Fisheries and Food to the Welsh Office), starts on £11,117 plus £1,750 London weighting. It takes a few years to climb the pay scale to performance-related pay levels above about 220,000, the average starting salary in the City.

Mr Taylor regrets that a 28-year-old with a first class degree, teaching economics at a world-class university, gets paid only £1,000 more than the average starting salary for a 21-year-old graduate with a second-class honours degree - £11,375. He regrets it so much that, like Mr Bell, he, too, is heading into the private sector. He calls it "responding

to market forces". SW1 P3AG. Telephone: 071

The reading and research of the academic life counted for much with Simon Taylor. But there is now an undersupply of academic economists, who, like the civil servants, have been lured into the City, or quangos such as the Institute of Fiscal Studies. It is becoming harder to fill teaching posts in the universities; while pay is set nationally for academics, the acquisition of a PhD in something markets-related can greatly increase the marketability of an economics

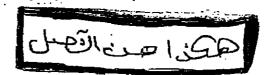
graduate.
However, it looks as if the path from the public sector will not be so well beaten in the 1990s. Wastage from the Treasury, which takes the biggest complement of applicants to the GES, has been high, but is steadying. In 1987, 28 economists resigned from the GES' total of about 400; in 1988, during the City's terrific expansion, 45 did, at widely-varying levels. Last year, 22 per cent of its staff left. But this year and this decade, retention levels are set to be much higher, according to the Treasury officials. This is because the banks are making heavy cuthacks in the amount of ancillary staff they are taking on, especially the Midland. Lloyds and Standard Chartered. Economics departments are a fairly new phenomenon, and so can be the first to go on the last in first out basis. A more underlying reason for the Treasury's optimism is the fact that unlike the City, the Treasury regards itself as offering the serious economist a serious chance to determine economic policy within a

are nothing more than "pseudo-journalists". The Treasury is a "wonderful place to work". It would be difficult to find a City economist, loyal and well-remunerated as he is, to say the same about his securities house. The Treasury's rarefied atmosphere, its ethos of putting intelligence and ideas first and foremost, are treasured by its employees. Furthermore, they cannot but be aware of their marketability in the City when they get tired of shaping public policy. What is crystal-clear in the economics world is that a

proper "career structure". City economists, officials have said,

essential a requirement as an economics degree. Further information: The Economist Group Management Unit (EGMU), HM Treasury, Parliament Street, London

passion for the subject as strong as Mr Bell's is as



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ELECTRONICS

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#### **Plenty of** scope for chip makers

THIS might not seem the best moment to be looking for a job in the UK electronics

Of the great names of UK electronics, Plessey has been swallowed up by the General Electric Company of the UK and Siemens of West Germany. Ferranti is reeling under the impact of a fraud allegedly perpetrated against it by an American subsidiary. ICL. Britain's flagship computer manufacturer, has been taken

over by Fujitsu of Japan. The demise of British-owned companies might be a dent to national pride. But the decision by substantial numbers of American and Japanese companies to use the UK as their European manufacturing base means that British graduates still have the opportunity to work for world-class companies.

Motorola is a US-owned manufacturer of microchips, but Mr Barry Waite, general manager of its European semiconductor group, insists it is as much at home in the UK and Europe as any home-grown company. He was born in Britain, as was the manager of the Motorola semiconductor plant at East Kilbride in Scotland. -

Motorola takes on up to 25 university and polytechnic graduates each year to work at East Kilbride, one of the few European factories producing chips such as the dynamic random access memory (D-Ram), the basic. building block of the semiconductor industry. The company looks for degrees in electronics, physics and chemistry, but also takes finance and business studies graduates. Anyone who wants a

comprehensive education in chip-making, however, might want to think about working for Fujitsu. The Japanese company is building a new chip plant at Newton Aycliffe, County Durham. The plant will produce its first chips next autumn, so that the 1991 graduate entrants will be

intimately involved in setting up its operating procedures.

Mr Albert Clark, Fujitsu's personnel consultant, argues that working at a new factory approaching. Six months is a long time to be away from families and partners, aithough the company says it is prepared to consider help for boyfriends and girlfriends who want to go along.

Consumer electronics manufacture in the UK is also dominated by Japanese-owned companies, several of which have an annual graduate

Sony manufactures television sets at Bridgend near Cardiff. It is one of the companies responsible for turning Britain's trade deficit in colour TV sets into a surplus of £58m last year.

Mr Michael Pugh, human resources manager, says Sony recruits about a dozen graduates each year to work at Bridgend. Television sets might once have been fairly low-tech products, but with screen images getting sharper and the number of microchips inside them increasing, this is no longer the case. The development of high-definition television is increasing the demand for technologically sophisticated graduates.

Matsushita, which manufactures television sets in Cardiff under the Panasonic brand name says it, too, intends to increase the number

of graduates it takes on. Finally, GEC, the largest British-owned electronics company, remains a huge employer of graduates. It and its associated companies provided training for nearly 3,000 graduates and sponsored students last year. Further information: GEC's booklet of graduate vacancies, A World of Opportunity, available from GEC Educational Liaison, Freepost CV1 370, PO Box 55, Dunchurch, Rugby, Warwickshire CV22 6BR.

Michael Skapinker

PROFILE: SONY

#### Being British is no bar to promotion

MIKE McDONALD insists he does not have to bow to anyone at work. He does not begin the day with a rendition of the company song. Nor is he expected to take part in any communal exercises.

He conf sometimes feel like a foreigner working for Sony, the Japanese electronics company, at their

manufacturing the front glass panel of the sets on the site. While British-owned electronics companies have beaten a steady retreat, **UK-based Japanese employers** 

have continued to expand. Mr Saunders, who studied electronic engineering at Coventry Polytechnic, spent his first six months at Sony working in a variety of departments, from public relations to purchasing. He then spent another six months working in the test engineering department. At the end of his first year at Sony, his career will be reviewed. He expects to spend another year working in the

same department.
Mr Saunders had previous experience of working for a foreign-owned company in the UK. He was on a sandwich course at his polytechnic, with a year of work experience between his first and third vears. He spent the time in Coventry working for Peugeot, the French-owned car manufacturer.

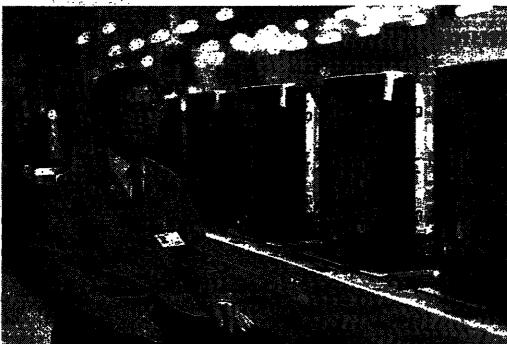
He cites one important difference between working for Peugeot and for Sony. "In the car industry you could still see the differences between the managers and the workers that you don't see here," he

Mr Saunders has not yet had the opportunity to visit Japan. but most graduates working at Bridgend do get the chance at some stage. Mike McDonald spent a few months working in Sony's semiconductor division in Japan last year. He had previously spent six months learning Japanese at Bridgend. Doing so was voluntary - and he was given no opportunity to speak Japanese while he was in Japan. "English is the corporate language. When I was in Japan, they all wanted to practise their English. I've forgotten all my Japanese

Mr McDonald insists that being British is no bar to promotion at Sony. "The plant manager here is British. The managing director of Sony UK is British. There are Europeans on the board of Sony," he says. Sony recruits throughout

the UK, but it does expect its graduate entrants to have a commitment to South Wales. It recruits at the Welsh universities and polytechnics and looks for expatriate Welshmen elsewhere in the UK. Non-Welsh graduates should not, however, feel automatically excluded: there are employees at the plant from all over Britain, and the operation is English.

Michael Skapinker



in a predominantly Welsh

he is responsible for the

Mr McDonald joined Sony

as a graduate recruit six years ago. Today, at the age of 27,

quality of all the components

the company buys to make

its TV sets. Given the stress

on both quality and on the

relationship with suppliers,

his role is an important one,

the chief executives of

companies all over Europe.

the company's name is so

He gives two reasons for

widely respected throughout

the world. The second is that

he knew the Japanese group

Dale Saunders, 22, who

September last year, also cites security of employment as an advantage of working for the

company. "I think Sony suits

people who are looking for a

"You just have to look around

long term career," he says.

you to see the investment

Sony Bridgend is the

advanced European television-manufacturing

facility. Cathode ray tubes.

Japanese company's most

going into this place."

ioined Sony Bridgend in

was in the UK to stay.

joining Sony. The first is that

involving regular contact with

managing directors of supplier

that Japanese companies place

environment.

Sony production line: no bowing, no singing the company song, no communal exerci

advantages over joining an established manufacturer. The difference when you come to a greenfield site is that you get the chance to learn the job in depth," Mr Clark says. "You're going to be writing the operating procedures, so you've got to get them right. That's the best sort of training ground." Fujitsu took on 16 graduates in 1990 and expects to recruit more in 1991. It looks for students completing degrees in electrical, electronic and mechanical engineering and in physics. More important than the class of degree, says Mr Clark is the project done

can gain real experience of semiconductor manufacture. Fujitsu recruits attend a two-week induction programme at a hotel in Newton Aycliffe and then leave for a six-month training

during the degree. Some

universities have clean room

facilities, in which students

programme in Japan. Not all Japanese employers offer a trip to Japan, and hardly any do so this early in a training programme. At least one company has been upset by the number of graduate entrants who were snapped up by other employers shortly

after returning from Japan.
Fujitsu's Mr Clark says
although graduates interviewed were excited about he idea of working in Janan

**ENERGY UTILITIES** television factory at Bridgend, South Wales. But that is because he is an Englishman

#### **Powerful** challenges for livewires

STUDENTS who start working in Britain's electricity industry in a year's time will find a very different beast from that which exists now. By the summer of 1991, assuming no hiccups in the government's plans, most of Britain's power stations will have been

privatised.

In England and Wales, 15 new private sector companies will have been created: 12 regional companies, responsible for supplying electricity in their localities; National Power and PowerGen, the two generating companies; and the National Grid Company, which will run the national transmission network. Scotland will boast two new private sector companies: Scottish Hydro-Electric, catering for the north of the country, and Scottish Power,

its counterpart in the south. Previously noted for its stability, the electricity industry is in the middle of the most important component

Rolls-Royce's new Trent engine: engineers can be discerning about the company they choose non-technical jobs last year.

although she bemoans a dearth

An industry in a state of flux

of female candidates for

might appeal to some new

graduates, although a degree of uncertainty is the reverse

British Gas, privatised in 1984, has already been down

critics say that its monopoly

status has allowed it to retain

its bureaucratic, public sector

graduates a year, with roughly

a third going into engineering

and research jobs and the rest

Graduate entrants, recruited

on a minimum of £11,309 last

year, work throughout Britain: British Gas divides its

and has four research stations.

organisation into 12 regions

With about half of its

ways. It recruits up to 300

into non-technical areas.

this road, although some

engineering posts.

side of the coin.

graduate intake female, the

company has a good record

on recruiting women. It also

intake is from polytechnics.

says that about a third of its

So far, however, few graduates

go into the most exciting areas of British Gas's activities:

exploration, production, and

And then there is what

expects to recruit about 70

graduates this year, while British Coal regularly takes

**Electricity Association, 30** 

London SW1; British Coal,

Gas, 152 Grosvenor Rd,

Millbank, London SW1; British

Grosvenor Place, London SW1.

David Thomas

Further information:

about 50.

remains of the public sector.

Nuclear Electric, responsible

for running the nuclear power

stations in England and Wales,

overseas acquisitions

busy trying to graft a more commercial and market-oriented ethos on to its traditional emphasis on engineering excellence.

This is particularly true of National Power and PowerGen. the successors to the old **Central Electricity Generating** Board. They have had to set up commercial and marketing departments and are giving their managers special training for the private sector.

Even graduates in engineering and scientific areas are unlikely to remain untouched by the changes: both National Power and PowerGen are turning their power stations into profit centres and devolving responsibility to station

managers.
"Inevitably the changes in the nature of the organisation mean we're trying to beef up our commercial and financial areas," explains Ms Jackie Roberts, National Power's recruitment manager.

National Power took about 100 graduates this year, split roughly between technical and non-technical functions. Graduates are recruited to do specific jobs in areas such as accountancy, purchasing or engineering, but they are also given opportunities to study for professional qualifications and general management training. After two years, they opt either to stay in their specific function or to apply for a general management training programme.

Competition was fierce last year. With roughly 60 applicants for every place, National Power can afford to be choosy. "Generally we recruit those who have at least a 2.1, but we recognise there are opportunities for those with a lower grade," says Ms Roberts.
She admits the old CEGB

used to look to the universities for most of its intake, but says National Power will increasingly recruit from the polytechnics, especially for technical disciplines.

Graduate starting salaries this year at National Power are in the £12,500 to £13,500 range. The company says the most successful graduates could hope to be on a salary of more than £22,000, managing a section of maybe 30 people, by their mid-20s.

PowerGen recruited about

30 graduates this year, split between technical and non-technical backgrounds. on starting salaries of £12,000-£13,000. Like National Power, they are recruited into specific jobs, although PowerGen says it intends to give each new graduate a

development programme. Very few graduates will work in London, so the industry could interest anyone determined to avoid the the capital. At National Power, most technical graduates will work either at a power station, or at the research labs in Leatherhead, Surrey, or at one of its administrative centres in Harrogate or Swindon. Most PowerGen recruits will work at a power station, at its research labs near Nottingham or at its HQ near Birmingham.

The 12 regional companies each recruit a few graduates. The Nottingham-based East Midlands Electricity, for example, recruited 10 graduates last year, mainly from colleges in its local area, on salaries ranging from £11,225 to £12,100. The Scottish companies offer similar opportunities: Scottish Power took about 30 graduates last

Some of the companies are aware of the need to overcome the industry's macho image. Jackie Roberts at National

**ENGINEERING** 

#### You can afford to pick and choose

**ENGINEERING** graduates have had little trouble finding a job and there are few signs of the situation changing this year. Indeed, engineering companies have traditionally had to compete with City institutions and accountancy firms to attract the best candidates.

Engineers are numerate and good problem-solvers which makes them attractive employees in a range of disciplines. The City has often lured them away from the of high salaries and rapid advancement.

In a field where graduates can often pick and choose. those sticking with engineering can afford to be very discerning about the sort of company they select. The decision is often dictated by the training programme offered by a company - which should lead to chartered status and the career development programmė.

The importance of the chartered qualification is increasing as the 1992 single market in the EC approaches since the title is likely to be the accepted professional requirement within Europe.

Graduates should look very carefully at the career advancement offered by employers. "Progression is extremely important," says Mr Jim Davidson, careers adviser at Bath University, which has a large number of engineering students. Employers should think through very carefully what they are doing with young graduates, and move them around a bit as well as giving

them responsibility."
Mr Davidson believes it is important for engineers to work in a stimulating environment where they can make use of the skills they have acquired at university. If they are not put to the best use, many of these bright graduates will be lost to

engineering.
The paucity of training offered young graduates in the UK is partly a reflection of the lower status accorded to engineers in the economy On the continent, particulari in Germany, engineers can earn twice as much as they can in the UK and generally enjoy a much higher professional status. For this reason, German companies such as Siemens are beginnir to recruit in the UK and coul become more active in the run-up to 1992.

It is often large companies such as the multinational oil corporations based in the UK that offer the best deals for graduates in terms of trainin and variety of work. These firms also tend to pay higher starting salaries: they begin in the region of £14,000 again. the norm for engineering graduates of £11,000 across th

country. Esso hires about 45 gradua engineers a year and would take more if it could find the: About half the company's intake are chemical engineer with most of the rest mechanical. The company pa a starting salary of just over £14,000, with all its graduates taking responsibility for a joi and receiving on-the-job

training. Esso and the other oil companies are looking for management potential. For this reason, academic qualifications are taken as re with the company seeking evidence of initiative. Good recruits move quickly throug the ranks; Esso's chairman and two of its managing directors are chemical engineers who joined the company from the milk roun

British Aerospace's trainin programme is cited by many careers advisers as providing good opportunities for graduate advancement. The company rewards performan and some graduates have moved quickly through its ranks. BAe says about 65 per cent of its annual intake of some 1,100 graduates are engineering graduates in a range of disciplines including electrical, aeronautical, mechanical and production engineering. All graduates enter a two-year training

Continued on next pa

## Wellcome only want Science Graduates ...don't

#### GRADUATES

Not at all. In fact, you may be surprised to hear that we don't just depend on scientists to keep us at the forefront of the pharmaceutical industry. Graduates of all disciplines are helping us to improve the health of people worldwide as engineers, production managers, systems analysis.

accountants, marketing specialists, personnel officers and, of course, scientists.

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our graduates, you'll follow a training and development course which will quickly enable you to make an effective contribution - for now and the future We'll even assign you a mentor - an experienced member of your department whos always on hand with help and advice

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To find out exactly what we'll make of your degree please contact Graduate Development at The Wellcome Foundation Ltd., Temple Hill, Dattford, Kent DAI 5AH. Tel: (0322) 223488, ext. 1591.

**Enhancing** life ...

they?



Continued from previous page period which is flexible according to their needs and experience. The company also offers additional courses in computer software and languages.

languages.
Graduates may be based at any of the company's plants across the country, and the starting salary is £10,850. BAe also offers some chance to work abroad.

One big advantage angineering companies offer over competing professions is that most jobs are not office-bound or located in London. "We can't compete with the City on salaries," says Mr Tom Bradbury, personnel nanager at Davy McKee, "but we do offer an interesting life. Who wants to sit in a bank for the rest of their lives?"

Mr Davy takes about 100 mgineering graduates a year – half of whom are civil mgineers – and tries to give hem a broad training. Most if the company's big projects are abroad, and its graduate raining plans often include work abroad. Graduates start aff on a salary of between 12,000 and £13,500.

112,000 and £13,500.

British Steel employs up to 5 engineering graduates, of whom about 40 are mechanical and 30 are electrical engineers.

The company tries to give

ts graduates experience outside their own disciplines. 1 mechanical engineer would lo some electrical work, for xample. British Steel has a reater retention rate for ingineers than for many of he other graduates it employs: he company says 60 per cent if its graduate engineers are itill with it after five years. Most firms are pushing trongly to attract women. lowever, women can have a hard time joining companies hat have traditionally been lominated by middle aged nen, and should do research efore making a decision. If n doubt, any graduate male ir female should approach ecent graduates at their lected company. turther information: ingineering Industry Training loard, PO Box 176, 54 larendon Rd, Watford, WD1 LB; Esso Petroleum Co, Esso

Deborah Hargreaves At the

Iouse, Ermyn Way,

ondon SE1.

eatherhead, Surrey KT22 UX; Davy Corporation, 15

ortland Place, London W1A DD; British Steel, Head

ffice, 9 Albert Embankment.

## cutting edge of technology

ngineering — today's term or production engineering — nay sound arcane, but is ctually at the cutting edge if new technology.

What makes manufacturing is hat professionals study the entire production process. This

contrasts with the role of say. mechanical engineers, who usually concentrate on a single

aspect of production.

The discipline leads the drive to cut costs, raise quality and link design with the shopfloor, and is probably the engineering faculty most integrated with other commercial functions. For this reason, it can offer a rewarding and challenging career for graduates who find a forward-looking company.

forward-looking company.

The problem is that manufacturing engineering is ignored by many – even large – UK companies which are dominated by managers steeped in outdated production strategies. Although manufacturing systems engineers are in strong demand, many companies do not allow them to fully use their skills.

Since there is so much demand for manufacturing engineers, graduates can afford to be discerning about the company they choose and should carefully research the company's approach to systems engineering before applying.

Manufacturing engineering

Manufacturing engineering is a discipline that has attracted quite a high proportion of female students, and since many engineering companies are making a hid to attract more women, female graduates in this area are in a particularly strong position.

Professor Neil Burnes, who divides his time between Leicester University and Davy McKee, says that, surprisingly, many of the smaller engineering companies can offer some of the most challenging opportunities to graduates. If they have embarked on a recent overhaul of their production technology, smaller companies can offer a graduate the chance to gain hands-on experience of a range of different fields at an exciting time for the company. Graduates should find out as much as possible about the company to which they intend to apply, and how dynamic the current management is, since the company's outlook can change quickly from one regime to the next.

Lucas Industries is generally regarded as being at the forefront of manufacturing systems engineering since one of its directors, Dr John Parnaby, as head of the Institute of Production Engineers, has been a leading light in developing the

Lucas takes around 100 graduates each year, divided roughly between manufacturing systems, and mechanical and electrical engineering. Most start on a salary of £11,000 on the company's graduate trainee scheme, which takes 12-18 months and provides individual plans for graduates with a substantive job offered at the end.

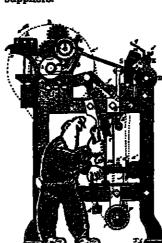
A company renowned for the high standard of its training scheme is the diversified engineering group GKN, which will take 87 graduates this year, about two-thirds of whom will be engineers. The bulk of the mechanical and production engineers recruited by GKN will go to the company's automotive graduate development scheme, which is co-ordinated by its research and development unit at Wolverhampton. This scheme co-ordinates sponsorship for undergraduates as well as a formal two-year postgraduate

The course allocates graduates to project-based assignments lasting three to six months with at least one project abroad. After that, some graduates are invited to take part in the third phase of the scheme, which moves them into two or more jobs over four years, so that by the age of 30, graduates will be offered upper or middle management positions. The starting salary is £12,000 rising to £12,600 for a master's degree or relevant industrial experience.

## Designs On big, greasy machines

MECHANICAL engineering is the gritty end of the profession. Graduates considering it should like big machines and get a buzz out of providing a link in the infrastructure of a production plant

Although the sector in the UK has shrunk, some companies are still at the forefront of industrial design or are important niche suppliers.



Many graduates who choose mechanical engineering will enjoy spending their days covered in grease and working out production problems.

on a But it is not all about metal-bashing. Mechanical engineers can progress through the management of a company to a supervisory role. At the same time, there are an increasing number of opportunities for mechanical engineers in the computer and design departments.

However, be careful of committing yourself to some of the smaller engineering companies where production plant can be antiquated and management dominated by

old-style production ideals.

Do research on working conditions — find out whether your skills will be employed — and whether you will be part of the firm's corporate

Perkins, one of the world's leading diesel engine manufacturers, is looking for five mechanical engineers this year, but is having difficulties finding the right graduates. The company says it is looking for a commitment to diesel engine design and would rather be empty-handed than lower its standards.

It hopes to work closely with universities because it believes courses do not always produce the qualities in graduates it requires.

Sponsorship is a route followed by many companies to ensure the right intake of high-calibre engineering graduates. As well as receiving financial support, sponsored students usually gain work experience at the company during holidays and are often offered a job on graduation.

Careers advisers caution companies to make the most of student employees during their vacations since graduates will often shy away from a sponsor if they believe their talents were not best used.

Ford has proved one of the most popular companies for mechanical engineers in the past, although it is experiencing difficulties in finding 70 graduate engineers this year. Ford offers a good starting point for graduates who will become involved in the design and testing of car components or process and

lay-out engineering on the manufacturing side.

The company pays a starting salary of £13,092 for graduates with no experience, but those who have previously worked at the company can command a salary of £14,348. In its choice of graduates, Ford is looking for those who have displayed team-work or an ability to lead and influence people. "We want them to take on supervisory and management jobs fairly quickly." a recruitment officer says. "We are not recruiting graduates to sit at the drawing board."

to sit at the drawing board."
British Steel, which pays a starting salary of around £11,000 to graduate engineers, says it will move mechanical engineers around its five large integrated plants in South Wales, Scunthorpe, Teeside and Scotland to give them as much experience as possible.

In their first two years at British Steel, graduates will gain knowledge of related disciplines learning financial, commercial and metallurgical aspects of the job before specialising in a particular subject. BSC's training aims to achieve chartered status for its engineers by the age

At Esso, mechanical engineers will be drafted into plant technical services at one of its big refineries. There they will help run the plant, checking day-to-day engineering problems and modifying technical aspects of the equipment.

Esso offers on the job training and will make



Join the environmentalists and you could grab the headlines or see yourself on television prime time

available any training courses required by the employee, but has no structured training course.

Deborah Hargreaves

#### A ticket to the wide world of mining

TIME was when the early career path of a UK mining engineering graduate was well signposted. The vast majority would make their way to South Africa, while most of the rest would go to British Coal.

would go to British Coal.

The contraction at British
Coal in recent years has been
more than compensated for
by demand for graduates from
the buoyant quarrying
industry – which moves much
more material in a year than

the national coal company.

The Channel tunnel builders.
Transmanche, have also been snapping up young mining engineering graduates, but often on relatively short-term contracts.

The South African industry

still tries very hard to recruit UK male mining engineering graduates - women are barred by law from working underground there. Two of the leading mining houses, JCI (Johannesburg Consolidated Investments) and Gencor (General Union Corporation) offer two- or three-year contracts. The Anglo American Corporation and Gold Fields of South Africa prefer to offer permanent jobs, but as part of the deal the graduate agrees to stay two

years at least.
South African companies offer financial assistance to settle in, free loans and other incentives but no return air ticket. Training covers a wide range of mining methods and skills and some South African

mines are the world's deepest. Pay is about R40,000, a year which roughly translates into £10,000 — and that provides a very respectable standard of living in South Africa. However, it is not just politics which keeps the industry desperately short of graduate mining engineers. Up to R20,000 can be taken out of the country at the more favourable commercial rate, but the rest has to be in the form of financial rands — and these do not buy many pounds or dollars.

In the UK, new mining engineering graduates can expect to be offered about £10,000 a year, although sums of up to £14,000 or even £15,000 are not unheard of.

are not unnearn of.

Although it is a highly-specialised degree, mining engineering graduates are still likely to be offered opportunities by companies and organisations outside the industry. In the past two years, for example, some Royal School of Mines graduates have moved directly into accountancy, journalism, commodity broking and industrial marketing.

However, assuming that most people who take a mining engineering degree course wish to stay in the industry, what are their prospects?

There is no shortage of job opportunities for graduates in the UK or South Africa. North America is more or less closed to the new graduate by government rules on employment of foreigners, unless he or she, or the prospective employer, can prove that the graduate possesses some special skill not available locally.

Australia recently changed its rules so that foreign graduates cannot be employed until all domestic graduates have found jobs in their chosen field. In effect, this delays

ملقات انهم

by the Australian mining industry from the English summer until Christmas.

Some graduates, with an eye to improving career prospects, will aim to develop specialist skills to make them even more attractive to a would-be employer. These may include skills in rock mechanics, ore reserve estimating or even an MBA (Master of Business Administration) course.

Typically, after graduation

a mining engineer feels only half-trained so moves on to two years of post-graduate training with a company. Then come two or three years where he or she takes on increasing responsibilities and probably gains a mine manager's certificate by 30. The next step is to acquire chartered or professional engineer status. Either of these provides a ticket to a variety of jobs throughout the global mining industry because they are proof that the engineer has not only been properly trained, but also that he or she can

handle responsibility.

The mining engineer can choose to stay in the UK but also has a wide choice of opportunities around the world, such as gold-mining on an exotic island in Papua New Guinea; winning copper from the Andes in Chile; mining in the heat of the Western Australian desert or in the deep cold of Alaska. Further information: The Institution of Mining and Metallurgy, 44 Portland Place, London WIN 4BR

Ken Gooding

#### UK pay not in line

THE UK has traditionally undervalued its engineers. In the run-up to the EC single market in 1992, it will become even harder for UK firms to attract high-calibre engineers unless they pay competitive

Some German companies are already taking professors on trips around Germany as part of thinly-disguised

recruitment drives. The top layer of large German engineering companies – Lurgi, the plantmaker and diversified engineering firm; Hoechst, the chemicals and pharmaceuticals firm; and Thyssen and Krupp, the steel, engineering and plantmakers - pay a graduate straight from university a starting salary of DM65,000 This can be raised to DM70,000 after six months if the graduate passes additional tests, and can include a performance bonus of DM2,000

Graduates from technical college command a salary of DM60,000, which can be raised to DM62,000 after half a year. With close to DM3 to the pound, these salaries can appear very attractive to a UK graduate faced with the prospect of earning £11,000 a

year at the vast majority of UK engineering firms. Direct comparisons, however, can sometimes be misleading, since the cost of living is higher in parts of Germany, and tax rates can also be higher. The rate of income tax paid in Germany varies from a top rate of 53 per cent to a low of

in Germany varies from a top rate of 53 per cent to a low of 19 per cent, compared with 40 per cent and 25 per cent in the UK. However, given these provisos, engineers in Germany do enjoy a higher status than in the UK. Companies in the UK which

pay a higher rate than the norm are the large multinational firms such as the oil companies: BP, Shell and Esso; and Ford, where graduates can earn a starting salary of £14,000.

ENVIRONMENT

#### Keyed up for down to earth issues

THE huge growth of public interest in green issues in the past few years has led many graduates to seek an environmental career. Job opportunities in campalgning organisations and environmental charities such as Friends of the Earth and

Worldwide Fund for Nature,

however, are very limited.

There is more scope for finding related jobs in commerce and industry, although many of these will not be devoted as purely to the environment as those in the non-profit sector. An idealist who is determined to fight "on the side of the angels" may be reluctant to provide environmental arguments why a development should go ahead — with the minimum environmental impact — instead of

campaigning to stop it.

Even so, the growth in the number and range of employment opportunities has not kept pace with the growth of student interest. The Association of Graduate Careers Advisory Services says the environment is one of the hardest of all areas to enter.

Biologists tend to be particularly keen on environmental work — and the field is therefore especially competitive and difficult for them to enter. There are far fewer applicants for jobs requiring specialist knowledge of physics, chemistry, engineering or computing.

engineering or computing.
Computers play a vital role
in environmental work. Any
attempt to predict or follow
the movement of pollutants
in rivers, oceans or the
atmosphere requires
sophisticated computer
modelling, and companies with
environmentally-sensitive
operations are building up
large computer databases to

hold all the information. People with qualifications or experience in computing and related subjects are probably more in demand by environmental employers than any other graduates. For anyone interested in technical challenges, environmental projects present an excellent opportunity to "stretch computer technology to its limits", says Mr Duncan Mackinder, head of computer services at the World Conservation Monitoring Centre in Cambridge. One particular challenge is to combine geographical information (computerised mapping) with text and mathematical data.

Because the environmental field has grown so fast, many of the occupations are new, the range of activities are not clearly defined and it is impossible to give any general guidelines about salary levels or conditions of service.

"There is still no career

progression in relation to the environment," says Mr Geoff Lane, deputy head of the environmental unit at the Confederation of British Industry. "I have no idea what my next step will be from here. At the CBI I'm dealing 100 per cent with environmental issues. But there are not many jobs like that in industry."

The chemical and energy industries offer the largest number of environmental jobs. Multinational oil and chemical companies, for example, have central environmental units to provide support services for their worldwide operations. They may also run specialised environmental laboratories

"There are many opportunities for the idealistic graduate to do something practical to protect the environment, by helping to develop new products, new processes, new methods of waste disposal," says Mr David Culpin, business development director of the Chemical Industries Association. "Many chemical companies offer serious and committed work in this direction."

An alternative to working directly for a manufacturer is to find a job with a consultancy. Specialised environmental consultancies are growing rapidly — particularly in pollution control and waste disposal — and at the same time some of the established management consultants are building up environmental practices.

These jobs tend to offer higher salaries than manufacturing employers and competition for them is fierce. Mr Lane of the CBI says that graduates who want to work as consultants might be better placed if they took a postgraduate course such as the MSc in environmental technology at Imperial College, London, and the University of Manchester Institute of Science and Technology. There are also a few

environmentally-oriented jobs in the City and financial services, for example with insurance companies that issue policies to cover manufacturers against pollution risk. Further information: Graduate Careers Information Booklet Environmental Planning. Conservation and Management, available from Central Services Unit. Crawford House, Precinct Centre, Manchester M13 9EP. Environmental jobs are advertised in New Scientist and Nature.

Clive Cookson

## The sun-is shining for green workers

ENVIRONMENTAL pressure groups have benefited from a surge in membership and income as a result of the explosion of interest in green issues over the past two years. As a result, the green movement offers satisfying career opportunities to young people. However, jobs are much sought after and it is

movement offers satisfying career opportunities to young people. However, jobs are much sought after and it is not unusual for organisations to receive 150 applications when they advertise for a single campaign assistant or senior researcher.

Generally, the organisations

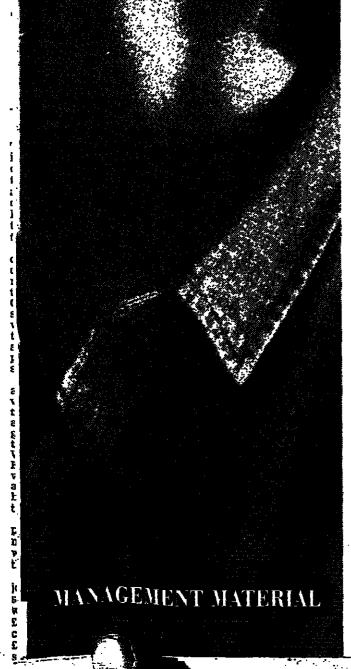
Generally, the organisations require degrees – an MSc or BSc – in subjects such as botany, zoology, ecology or chemistry. The catch is that they also prefer applicants to have had about two years' experience in some relevant employment. Even so, students must be aware that the really interesting jobs with environmental organisations are largely off limits to new graduates.

graduates.
Only if you have generously volunteered your time to work on environmental projects will you have an edge over the hordes of your fellows chasing the same challenging job. Some gain volunteer experience by doing conservation work for county trusts which are run by the Royal Society for Nature Conservation. Others might do research on short term contracts for environmental organisations. Commercial

work is sometimes applicable

one marine conservationist
had previous experience with
BP on oil monitoring.

However, it is not



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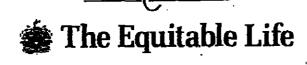
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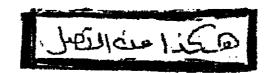
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Continued from previous page uncommon for graduates to join the staff in a minor administrative job and later move to the campaigning side. These jobs will clearly not pay as much as comparable jobs in industry, and you take them on with no guarantee of moving across into a campaigning slot.

If you are not independently wealthy, or tack financially supportive parents, look for volunteer work which carries a stipend.

Typically, green organisations do not have structured graduate entry programmes. Indeed, several were hard pressed to even describe what it is they are looking for in a recruit.

Friends of the Earth takes on young people as volunteers receiving expenses and meals allowance. They do filing and documentation and are responsible for short-term research projects. After several months they could be taken on as campaign assistants.

Presentational ability is essential. Campaigners must be articulate people who can give an interview at short notice and hold their own against hostile experis from government or industry. Writing skills are also essential.

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Management skills and the ability to co-operate are required. Some organisations hold training courses, and employees are sent away to refresh their knowledge on specialised subjects.

"The critical test is commitment to preservation of the environment," says Andrew Lees, campaigns co-ordinator of FoE.

The salary range for a campaign assistant at FoE is £12,000 to £14,000; for an assistant campaigner £13,500 to £15,500; and for a campaigner - the head of a team - £17,000 to £19,000.

Greenpeace is a high-profile movement which specialises in anti-pollution demonstrations aimed at

assistants - albeit at low salaries - and moved on to campaigning.

They can work up to the post of senior campaigner earning £13.500 to £18.000. The Royal Society for the Protection of Birds employs 300 at its headquarters in Sandy, Bedfordshire, and a further 200 in the regions. Conservation and research into bird life forms a large part of

its work. A conservation officer, who has the task of preserving bird habitats, would earn £13,000 to £19,000 a year. Previous experience is required for this, but assistant conservation officers are now being appointed and a new graduate might be considered.

Further information: Who's Who in the Environment available free from the Environment Council, 80 York Way, London, N1 9AG. The first issue is out of print but a reprint is being made.

John Hunt PROFILE: ICI

#### Green issues are growing issues

THE environmental performance of companies such as ICI will play a much greater role in recruitment and career planning in future, Mr Richard Freeman, chief economist of ICI, Britain's largest chemical manufacturer, told a recent conference on

the "green consumer". Certainly, ICI's public policy statements now emphasise the company's commitment to improving its environmental

alternatives to chlorofluorocarbons (CFCs), which are being phased out because they damage the ozone layer. This project, based at Runcorn, Cheshire, will soon move on from R & D to

full-scale production, starting with KLEA 134a, a CFC substitute scheduled for commercial launch in 1991. There are therefore opportunities not only for research chemists but also in engineering and production, sales and marketing. ■ Helping the main ICI plants to reduce their discharges into the local rivers and seas. The chemical works on Teeside, Merseyside and the Firth of Forth are spending tens of millions of pounds each on anti-pollution projects. Again

■ Taking part in ICT's £100m

programme to develop

part in these.
ICI's specialist environment
laboratories are in idyllic locations far away from the company's sources of manufacturing pollution. Jealott's Hill Research

graduates from many different

disciplines may be able to take

Station in rural Berkshire near Bracknell is the R & D centre for agrochemicals. It has 160 people working in its environmental sciences department, investigating the effect of ICI pesticides - those on the market and those still being developed - on the environment.

Jealott's Hill has jobs for chemistry graduates, developing new pesticides that break down more quickly and leave less residue than today's and analysing pesticide residues in plants, animals and the environment. Their work is backed up by biologists, who study the effect of agrochemicals on wildlife. The Brixham laboratory is



GOODS

**CONSUMER GOODS** 

#### **People** will always need to eat and wash

FOOD and packaged consumer products companies are classic "defensive" stocks in recession. However bad the economy gets, the thinking goes, people still have to eat and wash.

As dark clouds continue to gather over the economic landscape, how much does the same theory apply to getting and keeping a job with a company in these sectors?

Some companies are trimming their vacancies for 1991 because of the economic outlook. If attrition slows down, there may be fewer management posts available.

Few employers, though, believe their task is going to get any easier. Starting salaries are keeping up with or exceeding – inflation. Most companies offered at least £11,000 this year, but Unilever, for example, will pay a 1990 graduate of a four-year engineering course £17.150.

including London weighting. "Sometimes, recruiting graduates is almost more competitive than selling soap, says Mr Martin Naylor of Procter & Gamble, the US-owned consumer products giant which, with Unilever, stands as one of the sector's twin peaks in breadth of intake and organisation of management training.

One thing they have in common is that entry at the bottom is the only way in. P&G says it never promotes except from inside: Unilever does only on the rare occasions it cannot find a qualified internal candidate. However, many smaller companies in the sector recruit their marketing teams from three- to-four-year veterans of other employers.

In 1990. Unilever is taking about 140 people into its central management development scheme, and a similar number of specialists and mature graduates into direct entry positions. Of the former, 90 per cent will have

Truly international products for a truly international industry been appointed to their first management position by the end of two years, according

to Mr Martin Duffell, head of

Fish un! Finger

management recruitment. Engineers and science graduates continue to be at a premium throughout the sector. Even P&G, a magnet for ambitious graduates, admits it "does not always find it easy recruiting suitably qualified technical people such

as chemical engineers". To an engineering graduate. a company such as Cadbury Schweppes is "not terribly glamorous", according to Mr Bill Burke, the confectionery and soft drinks group's manager of resources and development. Cadbury's solution is to target engineering departments with sponsorship and similar arrangements which raise its profile. It also runs a computer-based business game every September aimed at

Shortages also lead some companies to cast their nets wider. Although United Biscuits fills most production management jobs with food technology and engineering graduates, it accepts applicants with any degree for any position. "We mainly need the right people skills for production, and you can get that in any degree discipline,"

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graduate recruitment officer. But brand management and marketing is still supreme at most companies. "We're not likely to take an R&D chemist and make him chairman of Reckitt & Colman," says Mr Martin Craven, who co-ordinates graduate recruitment for the food and

says Ms Kathy Gabler, UB's

household products group. Competition for the best candidates means that recruitment often starts well before the milk mund sponsorship and bursaries are not philanthropy, but a means of meeting bright sparks.

By mid-September, however, Unilever had already filled more than a quarter of its expected 1991 intake from the 1990 milk round. However, it

usually does that only for applicants who plan to be out

of Europe for next year. Unilever is also making a concerted effort to stress the ways it helps employees to reconcile career ambitions with personal lives. Its recruitment pack includes a brochure explaining how it tries to keep careers and family lives on track regardle of whether the employee or his or her partner is

transferred. It has also introduced a career break scheme which keeps the absent employee in touch with developments at work. This is designed not to waste the company's investment in training.

It also recognises the growing importance of wome in its management ranks. Thi year, 42 per cent of all management recruits were women. Excluding engineers - where male applicants outnumber female by four to one - the ratio is 50:50.

Clay Harr



grabbing headlines and television prime time. An employee could be working in the office one day and as happened last year - the next day be launched on to to prevent a cargo of toxic PCBs (polychlorinated bipheyls) being unloaded.

Jobs as campaign assistants would be open to graduates whose work would include organising seminars and commissioning research by outside consultants. A science degree is an asset for this work although not essential. The same applies to previous environmental employment.

The World Wide Fund for Nature (WWF) — formerly the World Wildlife Fund — is part of an international organisation with headquarters in Geneva. It has mounted campaigns to save the whale and elephant from extinction and to protect the rainforest. Recently the Cook Report on Central TV questioned the effectivess of some of the WWF programme notably the £1m panda

breeding centre in China. The organisation runs some Third World programmes, such as national parks and tropical forestry preservation projects, funded jointly with the Government's Overseas Development Administration. These are administered by WWF conservation officers who monitor the programmes, liaise with the ODA, and visit the various projects in the

For these posts a science degree is essential, with some previous experience in conservation usually required from applicants, according to Mr Chris Tydeman, senior conservation officer. Controllers organising campaigns on topics such as global warming and North Sea pollution would also need a science degree and some experience in environmental

Many battles against the destruction of the countryside have been fought by the Council for the Protection of Rural Rugland which has a staff of 25, including six campaigners. For campaigning posts, degrees are required. and several years' experience is preferred with other

surprised to find that, of more than 400 vacancies described, only a tiny handful mention environmental work

According to Mr Mike Flux, ICI group environmental adviser, the reason is that, with the exception of the company's two specialist at Brixham in Devon and Jealott's Hill in Berkshire, "we do not recruit graduates specifically to work in the environmental area. We recruit people into ICI - and they may move later into environmental work." And, he adds, "an awful lot of ICI's environmental work is done as an integral part of our manufacturing, research and other activities."

Environmentally-minded graduates who are thinking of joining ICI should be aware that, in the eyes of the green lobby, the UK chemical industry is still not doing nearly enough to control pollution, and ICLin particular lags behind its German competitors in cleaning up its plants. ICI employees have a duty to help the company to trade profitably; they do not have the option of campaigning Greenpeace-style

to shut down a polluting plant.

Unlike the German and American chemical giants, which have large central environment departments ICI's environmental activities are highly decentralised. Only Mr Flux and his colleague Mr Mike Bright, the UK environmental adviser, work in the group's head office in London. Out in the field. individual ICI businesses have their own environmental managers; but these tend to be people with extensive knowledge of that business, rather than previous experience of environmental work. There is little chance of a recent graduate recruit

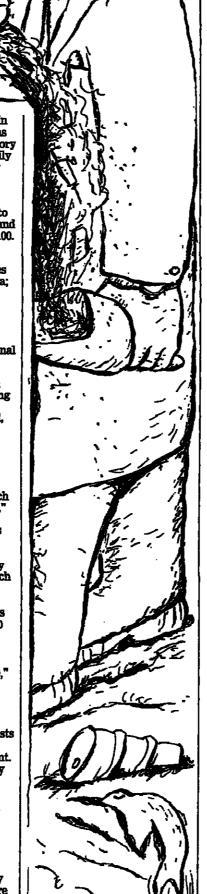
getting such a job. However, as Mr John Simpson, ICI graduate out, the company now offers Its staff has grown from 50 to 85 over the past four years and there are plans to go up to 100. Much of Brixham's work is still concerned with the discharge of chemical wastes into rivers, lakes and the sea; there is little atmospheric

Dr John Lawrence, the laboratory director, prefers to recruit graduates with a degree in one of the traditional sciences, rather than in the newly fashionable field of environmental sciences – a view held quite widely among environmental employers.

"Other things being equal, we would prefer to go for someone who had done a subject in depth — a good chemist or biologist, for example — rather than someone with a degree in environmental science, which is a jack-of-all-trades degree," he says. "We can give them the environmental emphasis

Brixham often recruits science graduates directly by advertising in magazines such as New Scientist, instead of going through ICI's central recruitment process. Salaries start in the £11,000 - £12,000 region but rise quickly. Anyone who is at all reasonable should reach the £19,000 level by the age of 30," Dr Lawrence says.

Like any modern environmental laboratory, Brixham needs mathematicians and computer scientists to model the movement of pollutants in the environment. There is a lot of opportunity for mathematicians in environmental work," says Mr Richard Murray-Smith, a 25-year-old maths graduate from the University College of Swansea who joined Brixham's environmental modelling unit in 1987. "Modelling is still in its early stages, as far as chemicals are concerned, and there are still very few environmental mathematicians. Further information: ICI Group Personnel, Shire Park. er Road. Welwyn



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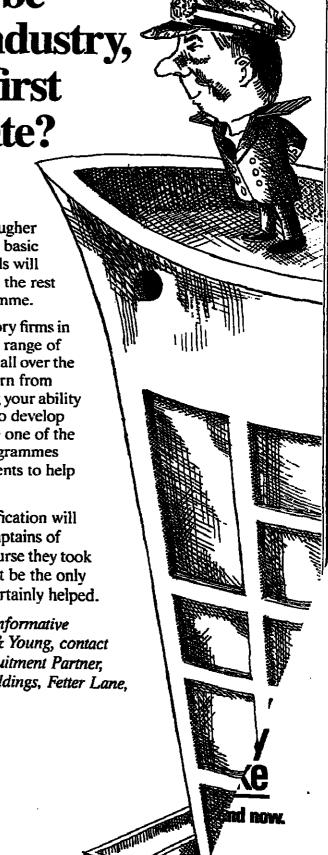
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Career Choice 2

**HEALTH** 

HOTELS

#### **Managers**

#### brought in to doctor the NHS

MANAGERS are the new fashion in the National Health Service.

Ask most members of the public to describe the people working in a hospital and they will name almost every other group of employee - doctors, nurses, ambulance crews, porters - before thinking of nanagers. But the reform of the NHS which takes effect next April will create a structure with managers at the centre.

This is the latest and most radical stage in a gradual strengthening of management which has taken place in the NHS over the past 20 years. From next April the system is - at least by the standards of Britain's public services – going to start behaving in a commercial way. The funding of health care will be separated from its supply. Managers working in district health authorities will purchase hospital treatment for patients on the basis of contracts negotiated with other managers who run hospitals.

This is not just a bureaucratic game. Individual hospitals' income will depend on the number and value of contracts they are able to win in what will, over the next few years, become an increasingly competitive internal market.

These changes mean that graduate management trainees entering the NHS during the early 1990s will be doing so at a time when the manager's role is expanding greatly. They will find themselves running businesses as well as delivering services.

The health service recruits around 60 graduate trainees a year for its national management training scheme run by the NHS Training Authority. Young people are recruited from across many academic disciplines and NHS recruitment officials make it clear that they are in



competition with industry and commerce to attract the best talent – a service which costs £22bn a year to run in England alone has plenty of need for good managers.

Trainees spend two years on a "sandwich" course which combines theoretical and practical elements before going to their first jobs, which are likely to be at deputy hospital manager level.

From next year some hospitals will become self-governing trusts. remaining part of the NHS but run by small businesslike boards. Their managers will, among other freedoms, be able to raise capital on the market for development projects and negotiate the pay and conditions of staff outside national agreements. Newly-trained young manager taking jobs in trusts will be confronted with many of the opportunities and challenges that they would find in any commercial organisation.

They will also find many commercial-style pressures to deliver in line with measureable standards. Mr Duncan Nichol, NHS chief executive, has told his senior managers that the priorities for next year are to cut hospital waiting lists and times and improve maternity services, measured by lower infant mortality rates. Managers who fail to achieve these objectives will lose out financially when their performance-related pay is

allocated. But while the NHS is becoming more businesslike, the job of a health service manager will never be exactly the same as a commercial one. The NHS's product is health care - businesslike efficiency is worth nothing unless it contributes to better patient

Potential health service managers need attitudes which will enable them to take awkward, human factors into account more than is necessary in many jobs.

Those awkward humans will not only be the patients, but many of the manager's own colleagues. The health service consists of a vast range of professional groups - from surgeons to architects - and the manager needs the personality skills to manage and motivate a team of experts who sometimes resent being managed at all. He or she will have to break down the tribalism which can exist between groups of specialists competing for resources.

Although public salaries never equal the highest rates in the private sector, senior gers can earn around £65,000 plus performance related supplements. In some places, like London, the introduction of self-governing trusts and the loosening of national pay scales may eventually put a premium on the best managers. Further information: NHS Training Authority, St Bartholomew's Court, 18 Christmas Str, Bristol BS1 5BT

Alan Pike

HOTELS

#### Check in to a new field for graduates

DIANE MILLER recalls that her school careers officer was horrified when she expressed interest in a hotel and catering management course at Stirling University: "He thought I must be mad, especially as they saw me as a future international lawver!"

But Ms Miller, 31, has no regrets about choosing a career in hotel management. She has been appointed manager of Trusthouse Forte's Hampstead Post House hotel, the youngest THF general manager in London and one of only a few women hotel general managers in THF's portfolio of hotels

in the UK and abroad. Her decision to develop a career in hotel management has clearly paid off: but she is still in a minority as far as most UK graduates are concerned in choosing hotel

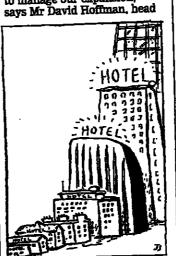
and catering as a career. The problem, quite simply. is that a career in hotel and catering is initially less attractive than many other careers for graduates. The sector offers graduates long hours and little financial reward in the early years after

graduation; many can expect to be employed in the sort of routine jobs that are the essential core of the service sector while "serving their apprenticeship" before moving

on to managerial positions. This approach reflects the fact that there is still some hostility felt towards graduates in an industry where most employees do not have high academic qualifications. "There is a feeling of wanting

to take graduates down a peg or two," admits one hotelier. Yet such a feeling is slowly being eradicated as those in the industry realise that the scale and growth of hotel and catering businesses in the 1990s requires more professional management. "It's becoming a lot more

competitive to attract the sort of talent we increasingly need to manage our expansion, says Mr David Hoffman, head



of human resources for Hilton International. Hilton, which recruits between 75 and 100 graduates a year, aims to give entrants as much practical experience in as short a period as possible usually about a year but sometimes longer. "We tailor our training programme to the individual and recognise that while he or she needs practical experience, they also want to feel they are making

progress," he says.
Hilton graduate trainee Roz Tacon, 26, was recently appointed personnel manager for the London Hilton hotel in Park Lane. Although keen to get into personnel management, she spent her first two years obtaining experience. "It was quite hard during the first two years trying to make an impression and a nine-month stint of night shifts was very tough," she recalls. "But after overcoming the first two years I find the financial rewards and benefits are now very good."

Hyatt adopts a similar tailor-made approach for the 40 or so graduates it takes on each year. "We are very conscious of the need to develop our future management as quickly as we can while making sure they understand the business," says Ms Vicki Brook, Hyatt's personnel director. She points out that graduates can reach such jobs as food and beverage manager by their mid-20s and be managers by their late 20s

or early 30s. What both Hilton and Hyatt have to offer graduates, however, is one of the key attractions of the job: travel We have more than 160 hotels outside the US and that means there are numerous opportunities to work abroad," adds Ms Brook

The lure of travel, however. means that at least one foreign language is essential for the modern hotelier, says Ms Pennie Cullen, group personnel and training manager for the Savoy group of hotels. "The hotel industry is increasingly international in scope, and managers in the 1990s will need more languages to progress up the career ladder," she adds.

But the downside of travel opportunities is the high degree of mobility required, not only in the UK but

overseas. "You certainly need a lot of stamina," says Diane Miller, who has moved hotels several times in her career

Not all opportunities, however, are with large hotel chains. One of the with THF. fastest-growing sectors of the hotel business is country-house hotels, simed at the leisure and conference market. Mr Laurence Cohen, director of the 22-bedroom Kirkby Fleetham Hall hotel in North Yorkshire, believes there will be a need for more 'multi-disciplinary" managers in small hotels in the 1990s. He has therefore linked up with the nearby Huddersfield College of Technology to provide special degree courses aimed at giving more opportunities for in-hotel placements for hotel

management students. Starting salaries for graduate entrants in hotel and catering average £9,000 to £10,000 for the larger botel chains, and significantly less for smaller hotels, especially in the provinces. Salary growth tends to progress quite slowly in the early years - obviously frustrating many graduates who see their peers' salaries accelerating - but can increase substantially once managerial positions are reached. Salaries of £30,000 or more after several years' experience are feasible, plus fringe benefits appropriate to hotels of free meals and

laundry. Many hotels are also introducing performance-linked salary schemes. Essex-based Queens Moat Houses is regarded as having the most sophisticated and successful performance pay scheme for senior managers, although this applies more to its UK-based hotel portfolio rather than its continental hotels, where it is the largest British-controlled hotel group. Further information: British

Hotels Restaurants and Caterers Association, 40, Duke Street, London, W1M 6HR; Hotel and Catering Training Board, Ramsey House, Central Square, Wembley, HA9 7AP; Hotel, Catering and Institutional Management Association, 191, Trinity Road, London, SW17 7HN.

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An underwriter is primarily

responsible for assessing risks

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and balancing those against premiums. This may relate to

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All aspects of the insurance

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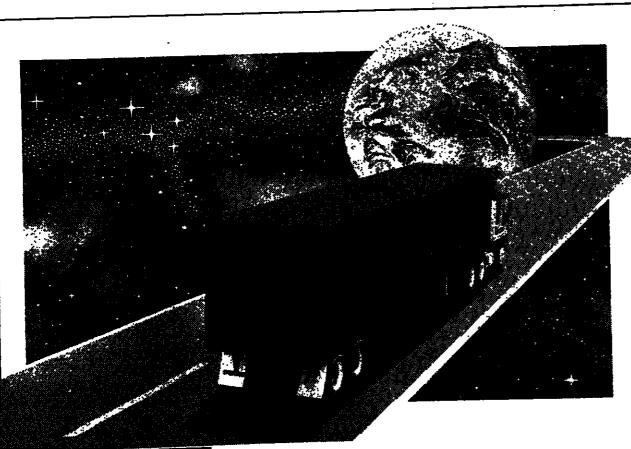
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the largest home removals company in the U.S.A. - are all part of the NFC success story, which also includes Pickfords Travel, Hyperion Property and Waste Management. In the UK alone, our group

operates out of 800 locations - each one presenting a rare management challenge. However, thanks to acquisition and organic growth, we are well down the road towards

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year than anywhere else in the industry, and the quality of our Management Training Scheme is similarly unchallenged. Developed and refined over the last 20 years, it is a carefully conceived mix of formal training, project assignments and 'through-the-job' experience. The internationalism of NFC is underlined by the fact that you could be training in the UK alongside International Graduates. Genuine line management responsibility comes early, whilst you gradually absorb the culture of what is very much a 'people business'. Over 90% of NFC employees own shares in the company. Everyone is encouraged to

If you'd like to know more about a career with NFC please contact, Margaret Griffiths, Graduate Recruitment Officer, NFC pic, The Merton Centre, 45 St. Peters Street. Bedford MK40 2UB.

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ON THE ROAD TOWARDS GLOBAL GROWTH



INSURANCE

#### Waking up to a planned policy

INSURANCE

BY ITS own admission, the insurance industry has done precious little to sell itself to graduates. Only recently has the business woken up to fierce competition for highly-trained intelligent young people.

The insurance industry is recruiting around 2,500 to 3,000 graduates a year, double the number of 10 years ago. In the UK, there are three

disparate segments of the industry: insurance companies, insurance brokers and Lloyd's syndicates. However, there is little co-ordination between these areas on certain matters of common interest such as marketing the industry as a career. Within each area there is very little co-ordination, with each firm approaching recruitment in its own fashion.

Generic promotion of insurance as a career is undertaken primarily by the Chartered Insurance Institute. the professional and educational body for the insurance industry.

Individual firms often use the annual milk round of universities for their recruitment efforts, but there is a singular lack of general co-ordination for recruitment. This can be seen even within companies, with separate .
divisions left to their own devices on recruitment.

The Royal Insurance Group, for example, has several operating companies within its overall structure. Until recently, each had its own recruitment policy, and each company sent its own representative on the milk-round. This left Royal UK in the unfortunate position of competing with Royal International for graduates.

MOST SUCCESSFUL CAMBIDATE SO FAR - HE SOLD THE BOSS ONE OF OUR OWN POLICIES

Now Royal is putting together a group strategy towards graduate recruitment.

The Merritt Group. second largest syndicate group at Lloyd's insurance market, does not participate in the milk-round. Instead, it relies on graduates approaching it directly, and hopes that its reputation as a successful innovative organisation will mean it attracts top people. What can the insurance

industry offer graduates in the way of career prospects? First, it should be made clea that general insurance and life assurance are, in many respects, separate industries within the overall insurance

industry. Life assurance has traditionally tended to be dominated-by actuaries, even in non-actuarial posts. However, non-actuaries are playing an increasingly important role in life assurance, especially in the newer unit-linked life companies (unit-linked assurance is a type of life assurance in which the premiums are partially invested in unit trusts). The growth of unit-linked life ssurance, a product for savings and investment, has spearheaded the organic change in life assurance which had previously focused exclusively on income protection in the event of

death. This in turn means that the modern life assurance industry revolves around marketing, investment and administration rather than underwriting.

Thus the career opportunities within life assurance include designing and marketing savings and protection products in a very competitive market and managing life and pension

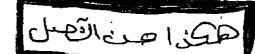
Underwriting in the life assurance field tends to be concentrated with the reassurance companies. These are specialist firms which allow underwriters to share risk with many others, thus minimising their own losses In contrast, underwriting is still the main function in

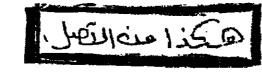
provided by the Chartered Insurance Institute. Later on in their careers, some firms would expect suitable graduates to expand their knowledge and qualifications. Leading multinational insurance brokers, Willis Faber, for instance, expect graduates to take and complete the CII examinations within three years of appointment. So a graduate entering the insurance industry can expect further years of study and training. Indeed, most insurance firms operate a "fast track" training programme for graduates, aimed at accelerating the training of graduates. The Scottish-based General Accident Group has three levels of training — a fast

track scheme for a few selected graduates with a first or upper econd class honours degree showing management skills, a scheme for technical graduates, and one for potential underwriters. Starting salaries tend to be

higher than for school leavers and tend to be in the higher quartile in the expected range, of starting salaries for graduates. Further information: Lynn

Bryson, Careers Information Officer, Chartered Insurance Institute, 7th Floor, Aldermary House, 10-15 Oppen







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#### You have to be Superman to make it

ASK the public how much they trust newspaper journalists and the answer tends to be unambiguous. Journalists often come behind even politicians and estate agents and somewhere in the realms of used car salesmen. According to Professor Hugh Stephenson, professor of journalism at City University, similiar results are turned up by opinion polls all over the developed world - and in almost every case, he believes the results are misleading.
The outcome, he argues, is determined by the nature of the question which triggers

stereotypes and preconceptions in the public mind.

Ask a different question — Would you like your son or daughter to become a journalist? - and the answer

is usually very different. Whatever the origin or reality of public opinion about newspapers there is no doubt the business continues to attract large numbers of well-qualified applicants and that the most difficult task many journalists face in their careers will be how to make themselves stand out from the crowd and persuade an editor to take them on.
"It's a very difficult, quite

long, drawn-out and quite soul-destroying experience," says Mr Neil Buckley in spite of having apparently done all the right things and in spite of holding a number of cards.

Neil Buckley edited his school paper and in a year off before going to Oxford worked on Running magazine. At university, where he read Russian and French, he was diary, sports and then newseditor of Cherwell the student newspaper.

Yet he did not even get an interview at Reuter, the international news agency, in spite of his Russian. In the end, though, Neil Buckley had the choice of a traineeship at



journalists face in their careers will be how to persuade an editor

ITN or at the Financial Times. He chose the FT and a five-month course at the Westminster Press training school at Hastings. Neil has a guaranteed job on the FT at a salary of £14,500 - 70 per cent of the minimum National Union of Journalists' £20,800 pay rate.

Another route into journalism is at Reuter. This year the group took eight journalism graduate trainees on two-year contracts for Reuter Europe, Middle East and Africa. After a spell on the London news desk each will get a foreign assignment. The news agency is looking for one and preferably two

languages other than English. The Times chooses between four or five graduates a year, usually from Oxbridge, from hundreds of applicants. There is no formal training course but instead the young trainees learn "on the job" by working in a variety of departments.

There is no guarantee of a permanent job but the paper promises to make a decision by the 11th month. The 85 graduates a year

chosen out of more than 800

applicants for the UK courses at the City University also do not have guaranteed jobs but most who complete the course appear to have little difficulty finding a job.
"One of the things these

courses are doing is acting as a sort of filtering operation. I think it's a comfort to employers if someone has done a one-year screening of them," Prof Stephenson argues.

The "filtering operation" is as practical as Prof Stephenson can make it and includes exercises such as covering coroner's and magistrate's courts.

More important, from the point of view of future employment, the students go on two attachments to

newspapers or magazines.
At least one City student on attachment ended up very much in the deep end. Two years ago the young woman arrived at 8.45am - 15 minutes early - on the first day of her attachment to the South London Press and walked straight into reporting the Clapham train crash. Courses such as those at

City are accredited by the

National Council for the Training of Journalists (NCTJ), the body that is still responsible for the training of most journalists whether they join a paper direct from school or go on a post-graduate course. About 350 are on one-year pre-entry courses, and about 450 a year opt for working on newspapers while

continuing their training. Recently, the NCTJ has developed a distance learning course for journalists, including video cassettes on such subjects as law and local

government.
There has, however, been a move away from the NCTJ in recent years with Westminster Press and Thomson Regional Newspapers, through its Newcastle training centre, awarding their own

certificates. The Newspaper Society, the body representing regional newspapers has launched a broad-ranging review of journalism training and qualifications. The review will examine the role of the NCTJ and look at the industry's progress in developing

government-approved National Vocational Qualifications. EMAP, the regional

newspaper and magazine publishing company, plans to go the same way and Mr Barry Holden, managing director of the Peterborough Evening Telegraph, an EMAP paper, plans to set up a training centre for the group. For graduates interested in

newspapers but not interested in journalism, United Newspapers, publishers of everything from the Daily Express and the Yorkshire Post to Punch magazine, have opened a new career path. Mr David Barron, group personnel manager of United,

has been trawling round six universities - Oxford, Cambridge, London, Bristol, Durham and Leeds - offering work experience to students interested in newspaper management. Six students will be sponsored in their final year and from the summer of 1991 there will be a limited number of places on a full-time training programme in media

Raymond Snoddy

#### Try the business publishing route

AT Bristol University, Simon Waldman read classics. His first job was as a feature writer on Shoe and Leather News before moving on to DR The Fashion Business, a leading rag trade publication.

Now, two years after leaving university, he writes on the entire business-to-business publishing sector for Media Week, the specialist industry publication, and is earning more than he would on most local and regional newspapers.

"The reason I went into business publishing was because I never really got involved in journalism at university and that path wasn't open to me." says Simon, 24, who faced challenges such as writing 800 words on the shoe shops of Oxford Street.

Business publishing, which used to be known rather disparagingly as "the trade press", is increasingly seen as a significant publishing sector, and is proving an attractive way into journalism and advertising sales for young graduates.

"It's the most likely entry point for people interested in getting involved in journalism," says Mr Lance Knobel, editorial director of Haymarket Publishing, a group

whose 50 or so titles include Campaign, Marketing, What Car and Management Today. For young recruits there is the pleasure of becoming an expert in a specialist field in a short period or the prospect for science or technology

areas of study.

Promotion also tends to be rapid within what are usually fairly small magazines. It would not be unusual, for example, for a talented business journalist to be editing a monthly magazine by the age of 30.

graduates to write about their

Pay seems also to have improved. A recent survey of pay scales by Journalist's Week showed few business press editors earning more

than £40,000, but with one third earning more than £20,000. More than 60 per ce of sub-editors and reporters earned between £10,000 and

£16,000. A journalist on an apparently obscure business publication, say in the defer equipment field, can sudder become a little famous by finding his expertise in grea demand on national televisi Some also move on to nation

newspapers.
The most serious problem facing new entrants to business publishing at the moment is the recession wh is hitting advertising revent badly and lowering

recruitment levels. For the past two years Haymarket has run its own graduate training programs for 12 people a year.

"With the very hard time: the publishing industry is facing we are not running it this year, but I would hope we will be able to reinstitute it," Mr Knobel said.

Morgan Grampian, which publishes titles such as Electronic Times, The Engineer, Building Design a Farming News, has had a graduate training scheme fo the past 15 years and takes 10 to 14 new graduates ever year, many of them speciali: in areas such as chemical

engineering.
Apart from the formal aspects of training, Mr Robi: Wood, publisher of four chemical engineering titles and chairman of the training committee at Morgan Grampian, believes "the onl way to really learn is by doi

Reed Business Publishing one of the largest business-tbusiness publishing compan with something like 110 title is also not taking on many r journalists at the moment because of the economic climate.

Mr Jeremy Elyes, group personnel manager of Reed Business Publishing, says th company tends to take peop. who already have some

The main route into Reed **Business Publishing for new** graduates is to join the telephone sales team and try to transfer later to the editor side. The chief reporter of Personnel Today, for examp. Continued on next p

Credit Lyonnais says thank you to its friends in Belgium, Denmark, Eire, France, Germany, Greece, Holland, Italy, Luxembourg, Portugal, Spain and the United Kingdom who entrust us with their many financial requirements. And thank you also to our friends in Austria, Finland, Norway, Sweden and Switzerland.



**CREDIT LYONNAIS GROUP** THE POWER OF POSITIVE BANKING THROUGHO'

#### Career Choice 2

LANGUAGES

**LOCAL AUTHORITIES** 

LAW

continued from previous page iz Hall, an Exeter University anguages graduate, joined be company as a telesales xecutive in 1987.

Mr Elyes is looking above Il else, he says, for "the bility to write clear English 7th decent punctuation".

Raymond Snoddy PROFILE: Steve Duffy

## You just have to grit your teeth'

TEVE DUFFY knew precisely that he did not want to do then he grew up. He did not rant to be a teacher and he id not want to be an ecountant, and most of all e did not want a nine-to-five

b.
"I popped into my local
ewspaper to look around and
liked the look of it," says Mr
luffy, who is now a general
eporter on the South Wales
becoming Februin Cardiff

vening Echo in Cardiff.

His first serious move into
nurnalism was when he began
riting for Gair Rhywd — Free
Vord — his student newspaper
t University College Cardiff,
riting everything from news

o reviews.

When he finished his degree history and politics, Mr tuffy took a sabbatical year of edit the paper. "I got the papetite for newspapers. It sally gelled," he says now.

Then came the most difficult roblem. What should he do ext, and how was he to get ne all-important first job in

ewspapers?
He tried the postgraduate ourses at Cardiff and the City inversity in London, and in ne end accepted a place on ity's course for periodical purnalists even though it was ally newspapers which hterested him.

"I wanted to get in
nywhere. I knew how
pmpetitive it was, and it was
great relief to get a place,"
e says. After City, Duffy was
ne of 100 potential reporters
ho were interviewed for two
bbs with Thomson Regional



Steve Duffy: developed an "appetite for newspapers"

Newspapers at Cardiff – one on the Western Mail and the other on the Echo.

"I was successful but it was quite daunting," he says, adding that people who want to get into the field have usually just got to grit their teeth and be prepared to go anywhere to get their vital first job.

Mr Duffy also advises hopeful journalists to keep their finances in order. In spite of having a £1,800 local authority grant for the City University course, the costs of living in London meant he went through £1,000 in savings and a £2,000 bank lour.

"It can cripple your finances," he says. He is now 25 years old, and his salary has risen to £11,300. Regional newspaper

journalism has lived up to his expectations. "Right from the beginning you are thrown in at the deep end and are expected to cover the same stories as other reporters — everything from fires to road accidents and deaths."

He has successfully completed the "very practical" Thomson training course in Newcastle, which includes

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last year were discovered and

writing stories for the local Evening Chronicle. "It's a boost to your confidence to see your name in print," he says. After completing the course and a further period of reporting, Mr Duffy had to go before a panel of Thomson editors to convince them he was competent in every aspect of the job. He was one of 13 Thomson trainees who passed the panel.

"In the first three or four weeks I could not believe someone was paying me to do this job. But you soon realise that it's a job, like anything else," he says.

However, it's not quite like all other jobs.

"When you put your foot on the accelerator and the adrenalin is flowing and it's getting close to deadline and you've got to get your story over, it's quite exciting," says Mr Duffy.

He is not sure yet whether

he would like to move on to be a specialist reporter, a sub-editor or try for national newspapers. "There are plenty of opportunities," he says.

Raymond Snoddy

**LANGUAGES** 

## Sitting pretty as 1992 nears

ONE could forgive today's foreign language graduates for feeling a little smug. They who had the inclination - perhaps even foresight - to read a language as part of their degree courses are now sitting

pretty in the job market.

The emergence of the European Community as the driving force of Europe has led to a reassessment by British and Continental businesses of the calibre of staff they need. In particular, the European Commission's crusade to open the EC's borders by 1992 has boosted awareness that cross-border trading will be at a premium in the coming years.

A foreign language is not an open ticket to the position of one's dreams, but the message from the growing number of businesses looking abroad is that a graduate with language skills, particularly one with a measure of professional training, is at a

definite advantage.

And as the demand for linguistic skills grows, so too does the range of jobs. Today's language graduates are no longer browsing the small ads marked "translator/interpreter wanted". Far from it. A recent survey by the University Association for Contemporary European Studies of more than 1,500 graduates of European study courses - which have a strong language element found them choosing a wide range of careers. Around half found work in management services, with administration, finance and sales work dominating.

Around a third of those surveyed opted for some sort of vocational training, with bilingual secretarial work and teaching favourites.

Accountancy, export marketing, legal services and banking also figured prominently. Three-quarters of all graduates used their language skills to some degree in their new positions.

Mr Neil Harris, a senior careers adviser for the University of London, says: "Job prospects for those with foreign language skills are good and getting better, especially with 1992 and particularly in commercial areas. However, my advice to any graduate in this area would be to gain experience in a recognised professional field and then combine that with any linguistic abilities to greater effect."

This theme is echoed by recruiters and employers. Mr Stephen Burke, director of international operations at recruitment agency Michael Page Finance, Amsterdam, says: "A foreign language graduate with around three years' experience in finance, for example, is in a very strong position. Demand for management of international calibre — who must have good language abilities — is high.

"We are also experiencing strong demand for those who are well trained in areas such as marketing, sales and commerce."

commerce."
Ms Lynsey Sugden, a director of a leading London recruitment group, comments: "We find that to be a graduate in a foreign language is simply not enough. Language skills need to be combined with other skills such as commerce, accountancy or management.

"The only area this does not apply so much to is eastern Europe, where language skills are so rare. An accountancy firm which approached us to recruit said it was willing to reconsider its qualification requirements for anyone speaking an eastern European

language."
Price Waterhouse, the accountancy and management group, says its Budapest office has become its fastest growing — quickly followed by its

Prague operations.

The company will be recruiting some 720 graduates this year, and although it is geared to providing linguistic training to the required staff, it acknowledges that those graduate trainees with modern language skills are at a premium. Starting salaries for trainees with the top accountancy firms are in the range of £11,000-£15,000.

A more direct route to language use for graduates lies in the more traditional roles – teaching, interpreting and translating – which are still in demand.

still in demand.
Institutional demand has increased in line with Britain's growing involvement in the European Community. Civil service recruitment of foreign language graduates has widened. This year, for example, the traditional

employ a dozen new linguists, will be joined by larger intakes from the likes of the Department of Trade and Industry and the Customs and Excise office. Starting salaries

for linguists are £9,000-£12,000.

Language graduates are still warmly welcomed by the teaching establishment, which, like the rest of the business world, is experiencing its own boom on the back of the growing interest in a united Europe. Language schools are blossoming, and while the renumeration still lags behind most other professions, the travel opportunities of teaching abroad are often cited

as compensation.
French speakers continue
to be the most sought-after.
In a recent survey of the
language requirements of 1,500
British companies, 64 per cent
wanted French, 57.5 per cent
German, 23 per cent Spanish,
19 per cent Italian, 6.5 per cent
Arabic, 4.5 per cent Japanese
and Dutch and 4 per cent
Russian. In addition,
companies spoke highly of
those recruits who had an
understanding of the culture
and nature of the language
they had studied.

For foreign language graduates, pay and employment prospects are likely to continue to improve as demand outstrips supply.

Among recent graduates who have used their skills are: William Kenyon, 25, graduated from Oxford University in modern languages. He is in his second year as a trainee accountant with Price Waterhouse in London.

"During my college year"

"During my college year abroad I realised that having a European language itself was

There's a living to be made out of grammar

TEACH English and see the world. Sounds great, doesn't

In fact, teaching English as a foreign language (TEFL) can be a great experience that gives you a chance to live abroad and earn money while you're doing it. But it can also be a nightmare if you are not careful, the professionals say.

The consensus among those involved in placing TEFL teachers is that while it is possible simply to find informal employment as an English language teacher in a foreign country, it is far better to obtain a recognised credential before you go. Even better, have a firm, legally binding contract from a reputable employer and approved visas from the country in question. For those without them, the horror stories abound. You may find yourself sacked at the drop of a hat when enrolment dips for summer holidays, ineligible for social security or medical

care and without airfare home.

The first step towards legal employment is obtaining the necessary credentials. For university graduates, even those with degrees in teaching, the bare minimum is a Royal Society of Arts Examinations Board / University of Cambridge Local Examinations Syndicate certificate. This is a four-week course for which

obtain a Post Graduate
Certificate in Education with
a specialisation in TEFL.
However, even that is often
not enough. The British
Council also requires two
years' experience on top of
those credentials, as do many
corporations who seek TEFL
instructors to train their own
staff abroad.

Salary and conditions vary greatly for TEFL teachers in different countries. Ms Brogan, whose employment agency specialises in placing TEFL teachers in Spain and Italy, says that average salaries in Spain are the equivalent of \$500 to \$600 a month net. However, if you are working in Madrid or Barcelona where rents are high, that will not go very far. "You'll never get rich as a TEFL teacher," she

says.
Although demand for qualified people in Spain is still far greater than the number of people available to do the job, Spain still makes it difficult for foreigners to obtain visas. Obtaining yours, even with a legal contractual offer from a reputable

employer, could take weeks.
Once that is sorted out, Ms
Brogan says, things should
go smoothly. Most reputable
schools in Spain are members
of an organisation known as
FECEL If a member of this
organisation refuses to honour
your contract, at least you

have someone to complain to.
Some other countries such
as Italy, Greece and Turkey
are easier to obtain legal work
in, Ms Brogan says, but you
must beware of the large
number of educational "bucket
shops". Obtaining illegal work
work without a visa, for
which credentials are



William Kenyon: "I realised that having a European language itself was not enough."

not enough, that I needed an extra qualification — something I could apply my language to. Accountancy seemed to be a well-rounded profession which would allow me to use my language. I'm already using my languages: I was seconded to Stockholm earlier this year for 5 weeks and at the moment I'm translating German documentation in London.

documentation in London.

"When I qualify I certainly hope to work abroad, especially with all the opportunities 1992 will create." Sophie Crampton, 23, graduated from Kings College. University of London, in Spanish in 1989. She now works as a trainee broker for a brokerage house, Hoggs, in the City of London.

ine they of London.

"I was recruited specifically for my language skills. I work through the Lloyd's insurance market and I'm using my languages every day in contact with clients in Madrid.

"When I decided to apply

"When I decided to apply for the college course, I just wanted to be fluent in another language and I did have ideas about perhaps going into the wine trade. But now I'm working in the City I wouldn't work anywhere else. It's exciting and one can see a clear career path. It's also

great fun.

"I would advise anyone considering a foreign language course to look at it very carefully. A lot of universities have traditional courses which don't have the modern aspects of the language or cover cultural aspects – two things which I've found useful in helping me find work." Further information: Read European Studies: A Discipline-Based Survey of Graduate Careers (UACES, King's College, London, WC2 2LS. £3.30); Contact Mr J Sanchez, Berlitz Schools of Languages, Gran Via 30-4, 28013 Madrid, Spain; Civil Service Commission, Room 307, Alencon Link, Basingstoke, Hants, RG21 1JB.; Chartered Institute of Marketing, Moor Hall, Cookham, Maidenhead,

Berkshire SL6 9QH;

fees range from £400 to £600.

A list of approved schools offering this certificate is available from the British Council, which offers courses itself and is a significant employer of TEFL instructors.

employer of TEFL instructors.

Ms Nicola Brogan,
recruitment director of the
Skola Organisation, which
places TEFL teachers abroad,
said that even a little
experience on top of that
certificate greatly improves
the odds of obtaining
employment. A four-week
TEFL course includes only
seven hours of teaching
experience, insufficient to
reassure most reputable
employers. Ms Brogan suggests
certificate holders seek
summer employment at a
UK-based English language
school teaching foreigners.
"At least that way, they know
you can handle a class," she

However, you greatly increase your options by going on for more intensive training. RSA/Cambridge also offer a one-year diploma course in TEFL which is a must for anyone thinking of making a long-term career in the field. Advancement outside simple classrooms to more incretive payment is virtually impossible without it. An alternative is for students to

Hernative is for students to

frequently not required — is also easier in these places.

Mr John Cleaver, recruitment manager at International Language.
Centres Recruitment Ltd, which specialises in Asian and Middle Eastern placements, says the job market for TEFL teachers abroad is booming.

The very low salaries will have

to rise if demand is to be met, he believes.

The Middle East, Mr Cleaver says, is not the lucrative market for TEFL teachers that it once was, even disregarding the current crisis. Salaries may be £15,000 a year in Saudi Arabia, tax free, with an apartment thrown in — but then two years' experience plus an RSA diploma or PGCE is required. Also, the Saudis rarely hire women teachers, except to teach female

students.
In Asia, Korea is
experiencing strong demand
for TEFL teachers, and the
top schools will pay the
equivalent of £12,000 for
qualified people. Corporations
will pay up to £15,000, while
universities pay a meagre
£7,000. Visas are easy to obtain
although living conditions can
be pudimentary.

be rudimentary.
Contrarily, Japan, where salaries can reach well over £1,000 a month, has been inundated with TEFL teachers. There are moves afoot to make it more difficult to switch a tourist visa to a work visa, so one can no longer just travel

one can no longer just travel
there and find a job.
Mr Cleaver offers this
checklist of questions for those
working abroad:
What will teaching hours
be? About 25 a week is

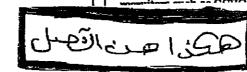
standard;
what type of student will
you be teaching?
will travel expenses be paid?
Are there any paid holidays?
What about home leave?
Is accommodation provided?
Is it free? What sort is it; is:
it furnished?

contract?

Will you be provided with private medical insurance?

Is it a monthly contract or an annual contract? Mr

■ Will there be a binding



Continued from previous page periods, so think about how you will support yourself for the remaining three months.
What notice period are the school and the teacher

required to give each other? Those in the TEFL business agree that the top-line employer is the state-run British Council, with 51 centres in 31 countries. Salaries are considerably higher than those paid by local employers, and the package includes finding accommodation, a baggage allowance, medical insurance

and a return air-fare. For those seeking a different kind of TEFL experience, there is the Volunteer Service Organisation. You will be hired only on local terms - which could mean £80 a month and a hut without running water or electricity. However, you will get to visit some of the most exotic places in the world and have the experience of a lifetime.

Gazette Guide 1990/91 (publ. EFL Gazette, 64 Ormly Road, Isle of Man. Price 26.75); How To Teach Abroad: A Guide to Opportunity, by Roger Jones. (publ. Northcote House, Plymouth); The British Council, CMDT Recruitment 100 Spring Gardens London SW1A 2BN telephone 071-389 4931; Volunteer Service Organisation, Inquiries Unit. 317 Putney Bridge Road, London SW15 2PN.

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#### If you're a round peg - find a round hole

TRAINEE solicitors are all things to all people. To the large City firms they are academically highly qualified and ambitious; to smaller practices they are rounded; communicative and bright individuals. Attempts to fit yourself into a stereotype for job applications will not work; mutual compatibility is the

The most important thing to consider, apart from whether the firm covers the area of law in which you are . interested, is whether you like work with," says Anne Marie Martin, senior careers adviser at the University of London. "Don't be blinded by attractive partnership prospects. You can always move on later."

Murdoch Morrison, manager of the Law Society's recruitment service; adds: "Be flexible about where you're prepared to train. It's no longer true that the best prospects are all in London.

The minimum rate for trainees in the provinces is £8,700 a year, lower than the London figures - £9,900 for inner and £9,600 for outer London – but it will go further. In today's competitive market, also, a majority of firms, particularly in the south-east, pay above the

At the top of the spectrum, giant City firm Clifford Chance pays its 120 trainees on a scale upwards from £15,600. The minimum requirement is a

2:1 degree.
"We look at both university and polytechnic students, although most of the successful applicants come from universities," says head of personnel, Alistair Dawson.

Some 90 per cent of trainees stay on after qualification, in London or one of the 14 offices abroad. More than two thirds of the firm's newer partners are former Clifford Chance

A 2:1 law or non-law degree is also required by the 57-partner Penningtons. Other recommended factors are self-discipline, organisation and the ability to get on with people. "This means clients but also colleagues," says training officer Jane Barham

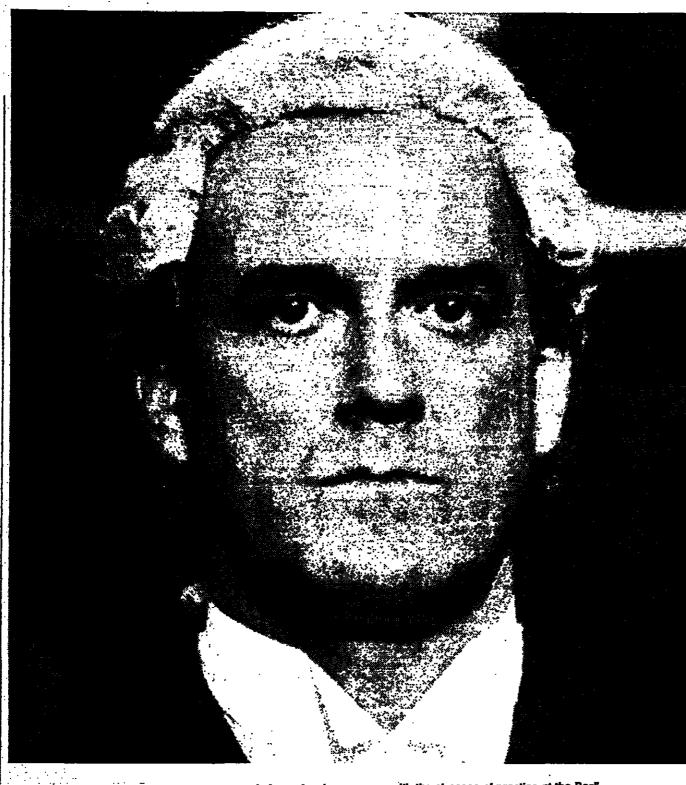
The firm takes on about 15 trainees each year, mostly in London, with one or two in each of the four provincial offices, which offer the chance for geographical change without a job interview, Mr Carter says.

The 11-partner firm of Leathes Prior is based in Norwich, with a second office in a small market town. providing good "workface" experience, according to partner Anthony Hansell. The firm looks for trainees

with maturity and a 2:1 university degree, not necessarily in law. "We've had a few unhappy experiences with poly graduates, but we would not exclude them," Mr

Hansell says. Half the assistant solicitors and partners were articled to

Buchannan and White, an



we want rounded people who can cope with the stresses of practice at the Bar' "We don't want brains on sticks,

with a newer Scarborough while a newer scar borough office, will have five partners and three trainees by next year. Partner Sue Truefitt says that apart from requiring a "reasonable academic side," the firm is more interested in looking at candidates' other interests; whether they have travelled or taken time out to work in something . completely different.

Chris Magrath runs an expanding two partner central London practice. Good academic grades "don't necessarily make for the best practical lawyer," he says. Above all, he looks for "normality": an ability to fit in with the firm, to relate to mystique.

Also important are a talent for hard work and a willingness to take responsibility, to learn fast and not to be "miffed every time an error is pointed out"

In the past, only the well-off could afford to train for the Bar. Good news for potential barristers was announced earlier in the summer, with the setting up of a fund to provide awards for able pupils in financially poor sets of chambers. More than £3m has been promised so far by practitioners to provide at least 400 funded pupillages by next year. The General Council of the Bar has allocated £50,000 to the fund.

A large commercial set of chambers, 1 Brick Court, pays its four pupils £5,000 for each six-month period of pupillage. In common with many other chambers, 1 Brick Court has reduced the intake to allow pipils a reasonable chance of gaining the one tenancy

offered each year.
Excellent academic results are not necessarily the most important factor in choosing pupils, says member of chambers Paul Walker. "It's more important that somebody can think clearly and present an argument cogently

Alistair Norris of the Chancery set at 2 New Square agrees. "We don't want brains on sticks, we want rounded people who can cope with the stresses practice at the Bar can bring."

Another growing practice is that of offering "mini-pupillages" for students and prospective barristers. Many chambers offer an ed mini-pupillage for applicants, often with expenses paid, and a shorter visit for people exploring whether the Bar is for them.

Alistair Norris lists the universal features of a good barrister: a high level of literacy, intellectual integrity; eloquence; and an exceptional level of commitment.

A degree of objectivity is necessary, too. "A barrister must be prepared to argue whatever cause comes his way, whether he is personally in sympathy or not. The same degree of service must be given to every client."

in large and small firms throughout the country, there are as many types of employer as potential trainees. Consider first what motivates you; then select employers who offer\_ scope for those ambitions. The match should be successful.

Sharon Wallach

Solicitor or barrister: the new legal divide

THE legal profession is in the midst of an upheaval.

The new Courts and Legal Services legislation proposed by the government is bound to alter practice and procedures, not least by giving solicitors increased rights of audience, meaning they could appear in some courts as advocates.

In addition, the two professional bodies have themselves been instigators of many changes. Earlier this year, the Law Society agreed radical new

training regulations for solicitors, with a greater emphasis on skills enhancement. The Bar's General Council announced funding for pupil barristers, who will no longer have to practise from chambers - a barristers' set of offices.

The barristers of the 1990s will begin professional life without the financial disadvantage suffered by their predecessors. From next autumn, every trainee will have a minimum income of £3.000 for each of the two six-month apprenticeship periods, known as pupillage.

Another concern which may have deterred a few would-be barristers - that of finding a tenancy, a place to practice - has also been addressed. Barristers may now practise from home, and the Bar Council is establishing a library in London enabling those unable to find tenancies

The library, which it is hoped will be ready by next Easter, will have accommodation and office facilities for 50 barristers affiliated to established chambers, and will also employ clerks to liaise with clients. <u>Initially, the scheme will be</u> underwritten by the Bar Council and the Inns of Court.

to set up in practice.

More chambers are being set up outside the Inns and outside London, particularly in the growing commercial centres - Southampton is one and big provincial cities: Nottingham, Leeds, Manchester, Bristol, Exeter and Cardiff.

There is likely to be a new look for solicitors' training by 1993. The old final exam system is to be changed, and it remains to be seen what effect that will have on

articles. Professional skills – particularly communication
- and efficiency are the key words at a time when much of the solicitor's traditional arena is being eroded. The downturn in legal aid rates has led to hundreds of firms giving up the work, and the lucrative conveyancing field has suffered from the plunge of the property market. it is threatened further by

the government's intention, through the courts and legal services legislation, to open up conveyancing to competition from banks and take up the option to offer conveyancing services, solicitors face a further erosion since legislation is usually

needed to implement state

plans. Many handle issues

almost as a matter of routine,

which would be a novelty for

other lawyers.
For example, government lawyers might work on the Hillsborough Stadium inquiry,

poll-tax capping legislation, European Court proceedings

questioning UK parliamentary

supremacy or hearings under

the European Human Rights

of their source of income. But solicitors are already beginning to look more and more towards the commercial world and opportunities offered in Europe. A reflection of this is the Law Society's move to open an office in

Brussels in November. None the less, "an element of crystal ball gazing" is involved in predicting life after the Courts and Legal Services legislation, according to Bar Council treasurer, Anthony Thornton QC. Shifts in the amount of work available to barristers will inevitably follow the breaking of their monopoly in the higher courts, to the advantage of solicitors.

On the other hand, the proposed arrangements for legal aid coupled with further reductions of pay rates may work in favour of barristers because of their low overheads.

Mr Thornton foresees an increased demand for barristers employed by companies. At present. barristers may appear only for their firm and not for clients. "My personal prediction is that over the years, that restriction will be

removed," he says. Change and uncertainty have done nothing to deter the 6 per cent or so of new solicitors and barristers who qualify each year. Anthony Thornton spoke for both branches of the profession when he predicted no falling off in numbers in years to come. The old traditions are another matter: "Fewer," he said, "will be in practice in the same type of work as the Rumpoles of today." Further information: Roset (Register of Solicitors Employing Trainees), publ. Law Society; Roget Legal (Register of Graduate **Employment and Training** Legal), publ. CSU for the Association of Graduate Careers Advisory Services; Chambers, Pupillages and Awards, publ. General Council of the Bar, The Law Fair, organised by the University of London Careers Advisory Service, at the Business Design Centre, Islington, London N1, March 14 and 15, 1991. Exhibitors include private and public sector recruiting law and non-law graduates.

Sharon Wallach

#### State work: safe, and not so dull

GOVERNMENT employment is all too often dismissed by young lawyers as being safe but dull something for the 21-year-old with an eye on a

While it does offer job security, its reputation for dullness is undeserved. Work opportunities are varied and often involve matters of public policy. Lawyers may take part

Convention on the detention of terrorists.

The Government Legal Service (GLS), which provides the lawyers for ministries and government departments and offices, employs about 1,000 lawyers. Most, though not all, work in London. The Crown Prosecution Service (CPS), which is responsible for prosecuting criminal cases on behalf of the state, employs about 2,000 lawyers in more than 100 offices throughout

the country.
The CPS has traditionally suffered from poor morale, especially in London, but it has recently been reorganised. with a new salary and promotion structure and now consciously aims to attract and retain talented staff.

Parliamentary Counsel the government's draftsmen and the Foreign and Commonwealth Office recruit

lawyers separately. GLS lawyers may have a predominantly advisory role
- researching, writing reports, negotiating EC measures, or drafting subordinate legislation, for example. They also act for the government as for a client in litigation and in its role as contractor. employer and landowner. Much of this is handled by the Treasury Solicitor's Department, which employs about 175 lawyers.

The balance of women to men in the GLS and CPS is roughly equal. Civil service policy is to evaluate on merit alone, so a part-time lawyer is not cut out of promotion. Job-sharing is possible.

Some government offices notably the CPS, the Treasury Solicitor's Office. Customs & Excise and the Inland Revenue – offer articles or the second six months of Bar pupillage to law graduates who show ability and commitment.
The pay for legal trainees is about £13,500 in the first

year and £1,150 more in the second. Recruits fare relatively well when compared with private practice, but the pay later on will bring comfort rather than the real affluence attainable by some private lawyers. An important additional

benefit is a good pension scheme requiring no contribution from the employee.

in round figures, the minimum starting salary for a GLS legal officer is now about £19,000 in London, and £15,500 elsewhere. A lawyer in civil service Grade 7 will earn at least £26,700 in London (£21,900 elsewhere), but may earn as much as £37,000 (£31,000) with performance related pay. At Grade 5, the maximum is about £50,000 (£43,000), and the top salary

(Grade 2) is about £64,000. The CPS offers a higher minimum starting salary (220,000 in Inner London, £16,800 elsewhere), mainly because the crown prosecutor still in training is certain to spend longer at the lowest level than a GLS lawyer. In higher grades, the salaries are pretty much the same.

Other areas of public service worth considering are local government and the magistrates' courts. Local government can involve challenging legal work in intricately regulated areas such as child welfare and mental health, as well as more conventional lawyering. Further information: Government Legal Service: Martin Briggs, Lawyers' Management Unit. Queen Anne's Chambers, 28 Broadway, London SW1H 9JS, telephone 071-210 3387; Crown Prosecution Service: Barry Hancock, Recruitment Team, CPS, 4 - 12 Queen Anne's Gate London SW1H 9AZ, telephone 071-273 8172; Foreign and Commonwealth Office: Recruitment Section, Personnel Policy Department, Central Buildings, 4 Matthew Parker Street, London SW1H

First Parliamentary Counsel, 36 Whitehall, London SW1A 2AY, telephone 071-210 6600; Local authorities: (general information) Careers Office, Law Society, 113 Chancery Lane, London WC2A 1PL, telephone 071-242 1222; Magistrates' courts (Greater London and Home Counties) David Simpson, Clerk to the Justices, Court House, Harefield Road, Uxbridge UB8 1PQ, telephone 0895-30771; (rest of England and Wales): Mrs Helen Whittaker, Association of Magistrates Courts, PO Box 1, Town Hall, Leicester LE1 9BE, telephone 0533-52 7822:

9NL; Parliamentary Counsel:

Celia Hampton

#### Commercial iobs for corporate animals

WORKING "in-house" for a commercial enterprise is an attractive option for the law graduate with an interest in business. The special value to a company of employing a lawyer, rather than calling in a law firm, is the deeper understanding of the business the lawyer will develop.

The work load varies with the company, and even with the lawyer. The sole lawyer in a small company is likely to be a good generalist, while the member of a 30-strong legal department may have scope to become as specialised as any lawyer in private practice. The work has two aspects:

the company's business relations with the outside world, and its own house-keeping, such as property management, and employment, for which the legal work is relatively conventional.

For the company's external relations, a corporate lawyer needs a constructive approach (the company wants to achieve its business goals within the law and to its best advantage - i t is not simply waiting to be told its goals are impossible); a good general grasp of business law (the advice even of a specialist lawyer in a company has always to be placed in context): and a measure of self-confidence (the corporate lawyer may be asked for an on-the-spot legal opinion, say, in the middle of delicate

The particular function filled by a corporate lawyer depends on the business, but in spite of the fact of being employed by the "client", the corporate lawyer acts with professional independence. A solicitor employee will often get an annual practising certificate from the Law Society. UK law allows the company to claim legal professional privilege

commercial negotiations

without time for research).

for its own lawyer's advice, Continued on next page

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We don't follow standards. We set them.

Continued from previous page although European Community law takes the Opposite view. There are still many

corporate lawyers being recruited in the UK, but some big companies are cutting back. The cost of employing a lawyer is considerable, since it has to cover an office. support services, reference material, a pension and other benefits as well as salary – items which are included in an outside lawyer's net bill. A rough calculation suggests the cost of employing one middle-ranking staff lawyer would buy some 350-450 hours of outside advice a year. On the other hand, the employee would put in about 1,200 lawyer-hours and might cost no more than one

medium-sized failure in the High Court. There is, however a trend among big US companies to use outside Because they can represent

the company as well as handle legal affairs, corporate lawyers working for the company's external capacity may have to travel more than the typical private practitioner. In multinationals, overseas postings are fairly common.

An aptitude for management is desirable in a corporate culture, and many companies put their lawyers through a form of management training. There may well be opportunities for a lawyer to go into management or business streams, possibly away from the law - an option that is rarely available in private practice.

Sir Denys Henderson chairman of ICL, and Sir David Steel, a former chairman of British Petroleum, worked their way to the top by using their legal skills.

Companies with a broadly-based legal department may offer articles, and those interested should check with the Law Society. An employed barrister has the professional rights of a solicitor

Salaries vary widely Applicants can usually reckon on extra value in the form of non-money benefits such as a pension, car, or share

Further information: Companies Law Society, Careers Office, Law Society, 113 Chancery Lane, London

WC2A 1PL, telephone 071-242 1222; BACFI (Bar Association for Commerce, Finance and Industry): (Secretary) Norman Wimpey, 2 Plowden Buildings, Temple, London EC4, telephone 071-583 4937; Recruitment advertising appears weekly in the Law Society's Gazette and each Tuesday in The Times.

#### Celia Hampton Faced with a glittering array of possibilities

CHOOSING a firm for your articles is rather like picking the university or college where you took your degree: it's important, time-consuming and you do not know until too late whether you have it

The prospective articled clerk is faced with a glittering array of possibilities - in private practice, with local government, a magistrate's court or in industry - and since the choice must usually be made long before articles begin, it can seem dannting Probably the best place to start looking is The Register of Solicitors Employing Trainees (Roset) - published annually by The Law Society. Roset lists more than 3,000 employers and the type of work they do. If you are interested in working in a particular field of law, this is important, since the type of apprenticeship you receive will vary enormously in, for example, a legal aid firm and in a multinational company. There are similar disparities

The Law Society now stipulates a minimum salarv of about £8,500 for clerks, few City firms are offering less than £15,000, with Gouldens topping the league at £18,500. Perhaps even more important is the sponsorship offered. Training to be a solicitor is expensive — the fees alone at The College of

Law this year are £2,460. As

fewer local authorities award

grants, firms are increasingly

offering sponsorships, whether

in financial rewards. Although

maintenance grants of up to £5,000 a year, payment of fees or low interest loans. If you have already decided on private practice - as the

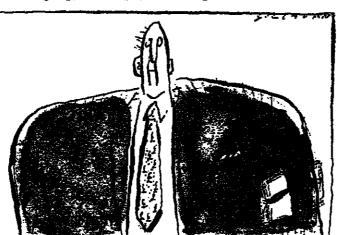
vast majority of graduates do - there are numerous glossy brochures to consult. Most consist of pictures of a happy articled clerk in an obviously new suit while the text extols the virtues of corporate life. Some, however, do give a sense of the culture of the firm

- you may warm to the firm which includes a map with all the nearby wine bars. Important factors to consider are the size and location of the firm. In recent years, legal life in the provinces has changed significantly and regional firms are increasingly collaborating to provide the training to attract recruits. The MS group, for example,

companionship of up to a 100 other clerks suffering articles with you.

The great advantage of the large practices is that they can devote considerable resources to in-house training, and most provide a structured programme of seminars and courses along with the corporate squash team and annual ball. All have library and information services. lf you are keen on doing a stint abroad, some firms notably Frere Cholmeley and Freshfields – will organise this. On the downsid although firms tend to

proclaim the important part that you, the humble clerk, will play in City-shaking deals in practice it may be difficult to acquire much responsibility as you move from department to department.



includes firms in Cambridge, Norwich and Bristol. A great bonus of this type of practice is the breadth of work available, including family and criminal cases. In a small establishment you are far more likely to have early responsibility.

There are also specialist practices, concentrating on trade union law or legal aid work - but remember these are unlikely to offer sponsorships and there is always a danger you will not be asked to stay after articles because the firm cannot afford a new assistant solicitor. If you feel you are a

corporate animal, choose a City firm. City firms are big the top 100 take more than a third of all graduates sitting the finals examination and you are likely to have the

It is worth remembering that nearly all City firms run vacation schemes which provide an excellent — and often well paid – taster of life in the office. Competition for such schemes is, however. fierce, so investigate them early in your second year. Having decided on the types

of practice, get your six to eight applications in fast. The much publicised crisis in articled clerk recruitment is over, and the feeling is that this year there will be a surplus of graduates seeking articles. The Law Society Code of Practice stipulates that no interviews may take place before September 1 in the final year of degree studies - but that means getting your applications sorted out before you start your third year. Smaller firms and those in

provinces do, however, recruit later in the season. Then come the interviews.

Few recruitment partners have been trained for the job, and interviews tend to be relaxed and informal, often half an hour with two partners. Gradually, however.

recruitment is becoming more professional. Last year Linklaters & Paines greeted interviewees with a ersonalised computerised half-day schedule involving three separate interviews, chocolate biscuits and a complicated form which the interviewers seemed to have enormous difficulty filling in They also tick boxes as they talk to you at Macfarlanes and operate a system of second interviews. Stephenson Harwood provided its own form of torture last year: a lunch with other interviewees and partners involving a

rather unappetising fish pie. Questions tend to be standard: Why law? Why this some firms make a point of including a law-type question such as the role of the law in combating Aids

Each year there seems to be the trick question which flies round the circuit consult your friends. Last year, candidates were asked to explain a credit card to a four-year-old - complete with role play from the interviewer child. Interviews are often rounded off by a tour of the offices with a contented articled clerk. This can be useful but it depends on the honesty of your guide.

Of course, sadly, before you too can become a real clerk, there is the last great hurdle to leap - the Law Society finals course. The system is changing, and it is likely that by 1993 budding lawyers will be spared the ordeal, but for now the rule of terror continues. Few who have experienced this can think of a single positive thing to say. It is aggressively practical yet also, in the words of one law lecturer teaching it, like "taking 20 O-levels in nine months". But it is worth working hard - as the recession hits, it seems certain firms will not look kindly on articled clerks who repeatedly fail the course.

#### Stop, start, alter course accelerate or cruise

THE BEAUTY of the legal ssion for women (and for men) is that it is so accommodating. There is something in it for everyone, and you can enter it - or return to it - at any age. If you do not like one activity you can move over to another. If your life needs a little lulling there is peace to be found in paperwork; if you want to push and shove you will be in good company; if you want to use your brain there is plenty of scope; if you

want just to talk, you can. For a woman contemplating e career and a family, the law is ideal because you can start fast, go slow, stop, start again, change direction, pick up speed, and then go on till you are a ripe old age - in your 90s as a law reporter, in your

70s as a judge.

A legal qualification does not lead only to a life on your feet in court or sitting in an office looking at wills. It can lead to industry, lecturing, publishing, journalism, the civil service. One can be a magistrate's clerk; or those who choose the conventional route of court appearance or the solicitor's office can look forward to a proper career structure culminating in the bench or partnership.

Barbara Calvert, who set up her own chambers in 1974, took silk in 1975, became a recorder in 1974, started sitting as a deputy High Court judge in 1978 as well as in the County Court and the Crown Court, and who is now a full-time chairman of industrial tribunals, did not start her legal career until she was 35.

She says: "Whether you're a man or a woman, if you're going to be successful you need a certain amount of luck and a lot of very hard work, and it's more difficult when you've got children because you have to pedal slowly for a few vears".

But pedal slowly you can. "I would not have missed my Sarah King | 10 years at home for anything," says Barbara, "although at times I thought if I saw another duck in St James's

Park I'd go barmy."
Leah Harris pedalled slowly by law reporting part-time until her three children were in their teens. Then, at the age of 44, she switched over from the bar to become a solicitor. She now has her own firm, run from her home in north London, and handles family law, conveyancing, probate, personal injuries, and general litigation.

How does she enjoy it? "It's lovely," she says. "It's a super career. It's interesting, fascinating, fulfilling - you're in constant touch with people. You're actually performing a service - sometimes. Women are totally accepted. I'm my own boss, responsible to no-one except my clients". Ingrid Dow, editor of Atkins Court Forms, has not stopped work, except for maternity leave, since she started with Butterworths in 1973. She qualified as a barrister at 22, practised in Trinidad for six months, did advisory civil

litication work for another six

months, and then came back to the UK and has been in legal publishing ever since. Her first child was born in 1981, on the way to work. Living two doors from the office, she popped home every lunchtime for six months to breast-feed the baby. The same comfortable arrangement was made when the second child

was born in 1985. After 18 years in publishing Ingrid has no regrets. "It keeps one in close contact with the profession. Unlike the bar, you know where you're working each week and how long for. and you know your pay will



Anne Ruff: don't drop out If you're planning a family

bolidays are good." to any legally qualified woman contemplating a family. "It's a job where you don't need to neglect your family or your work," she says. "It's a harmonious relationship." The facts that she lives next door to the office, and has had the same daily nanny since the children were born, have, of course, helped. And, she save. I could not have had a more considerate company to work

come in at the end of the

month. It's well paid and the

Anne Ruff is an academic She took her masters degreein law in 1974, then did teacher's training, and has lectured at Middlesex Polytechnic since 1976. Her first child was born in 1979 and two more followed. She was called to the bar in 1989 but continues to lecture.

The advantage of teaching for mothers, she says, is the flexibility of the working week and the holidays. Also more and more institutions are employing women (and sometimes men) on "fractional" appointments. Until she had her third child Anne-worked full-time. Then the polytechnic agreed a "temporary variation" of her contract, permitting her to work half-time on half pay for four years, after which she goes back on full-time.

The advantage of a fractional appointment is that one gets the agreed fraction of all increments, holidays and sick pay, whereas part-time teaching is paid only on an hourly basis. There is no loss of security. One remains part of the established staff.

Anne, though a half-timer. is course leader for the Common Professional Exams for non-law graduates starting in September, and when she goes back full-time there will have been no breek in her

mia

35.00

17,700

Her advice to any woman lawyer who contemplates a family would be to keep the job going in some form or another, either by part-time or half-time work. "Don't drop out altogether. You get back in, but it's harder." The current intake into the profession is healthy. In 1989 50.2 per cent

of qualifying solicitors were

Continued on next page

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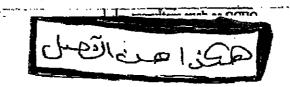
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Continued from previous page women, and 38 per cent of people called to the Bar were

women. At the rop of the career structure, however, proportions remain

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disappointing. Out of a total of 126 circuit judges appointed between 1986 and 1989, only 5 are women. There is only one female High Court judge. Her appointment is in the Family Division and simply does not reflect the high proportion of highly competent and experienced women with years of practice in family work. A second female appointment in the Family Division has just been approved. There is only one female judge in the Court of Appeal, and none at all in the House of Lords.

As far as solicitors are concerned also, the proportion of women partners is small There are 52,399 practising solicitors - 41,396 men and 11,003 women. Over the 10 years from July 1979 to July 1989 a total of 17,293 solicitors were admitted, comprised of 12,159 men (70.31 per cent), 4,881 women (28.63 per cent) and, according to the Law Society, 253 (1.46 per cent) of unknown sex. Out of that total 6,680 men (38.63 per cent) and 1,697 women (9.81 per cent) are now partners - and there

of unknown sex. Women should not be daunted. In 10 or 15 year's time the present healthy intake will have dug itself in to produce equally healthy figures at the top. Men get more and more used to women as time goes

are 45 partners (26 per cent)

Rachel Davies **LOCAL AUTHORITIES** 

#### **Flexible** advantage on home ground

LOCAL government is still frequently viewed as a bureaucratic backwater where pay and working conditions fall far behind those in the private sector, and where the compensations are hard to

But with demographic changes affecting employment patterns, and ever fiercer competition from the private sector, this image must change if local authorities are to ba any hope of attracting the calibre of graduates the importance and range of their work demands.

Late in the day it may be but the problems of recruitment and retention are now being addressed coherently by local government leaders, and a concerted attempt is being made to "sell" the range of advantages a career in local administration can have.

"Anyone wanting a career in a dreary backwater should not choose local government. savs Mr Alf Sorrell, personnel officer for Brentwood District Council in Essex. "It is now a more challenging job than it used to be, and there are broad and rewarding career

The image difficulties are largely the result of increasing politicisation of local government, characterised by the bitter conflict between the government and high-spending Labour-run councils. It has been an

uncomfortable, unsettling decade, and with more plans for reform under review by



it has been an uncomfortable decade for local government with more reforms planned

Conservative and Labour party strategists, there are few signs that a period of consolidation and stability is in prospect. On a practical level,

undergraduates seeking a career in local government have been faced with a bewildering array of choices and a lack of advice. With several hundred potential employers, there have been as many employment policies.

A fundamental problem is

that, unlike the civil service, there is no clear career structure. Separate careers in education, social services, legal and technical services, or general administration have been the norm.

Two moves have be launched to help solve the twin problems of a poor image and growing skill shortages. First, a group of metropolitan authorities — those running the higger cities – banded together 18 months ago to form the Metropolitan Recruitment Agency (Metra). Second, the Local

Government Management Board is to start operating next April when the merging of the Local Government Training Board and the employers' body LACSAB (Local Authorities' Conditions of Service Advisory Board) is completed.

Metra's objectives are to show undergraduates and other potential employees there is a worthwhile career in local government; to help councils with specific recruitment needs by setting up a skills data base; to mount recruitment campaigns in

target areas such as undergraduates, women or older workers; and to promote the best recruitment practices. The first challenge has been to attract graduates of the right calibre, so Metra now holds recruitment fairs and

1 Hampshire Corporate Park, Chandlers Ford, Eastleigh, Hampshire SO5 3YX.

goes on the milk round to universities and colleges. Mr Carl Gilleard, director

of Metra, says: "It was a very pleasant surprise. It told me that despite that last 10 years of change and the conflict between central and local government, and the negative image, there is still a strong commitment to serve the community."
A sponsorship package

aimed at final-year students has been devised to attract much-needed specialist skills as well as arts graduates seeking more general management training. The package consists of £1,500 in cash, eight weeks' paid work m the last summer vacation before finals, and a guaranteed

job on graduation. The sponsorship scheme has won the support of county and district councils as well as 31 of the metropolitan authorities that originally set up Metra. Around 50 sponsorships are on offer this year and possibly

100 next year. Like Metra, one of the Local Government Management Board's main tasks will be to improve the image of local government as an employer although Mr Michael Clarke, the board's first chief executive, stresses it will still be up to individual local authorities to show they are

good employers. The Board will seek to take a national lead for local government across the field of recruitment and retention of staff and will work closely with the three associations representing metropolitan, county and district authorities

Salary scales have undoubtedly been a problem, with the widespread perception that public sector remuneration has lagged far behind private industry.

There has recently been

more flexibility, however, as 50 local authorities have pulled

out of national pay bargaining and are now able to set their own salary levels. There is no set pattern to salaries as in the civil service, but a young graduate, possibly working for a further professional qualification, can expect to start on £9,000 to £11,000 a year depending on the local authority.

in certain specialist areas such as the law and information technology, the starting salary in the London area could be £12,000 or more. At the top of the tree, the chief executive of a large local authority earns more than £70,000 and runs the equivalent

of a big company.

To compete with the private sector, many local authorities are offering senior staff leased cars and help with mortgages

and rail fares. One advantage not sufficiently considered is the tremendous flexibility local government employment brings, particularly for those opting for a career break to bring up a family, or for those wanting to work in a particular part of the country.

Further information: **Metropolitan Recruitment** Agency, PO Box 1540, Homer Road, Solihull, West Midlands B91 3PQ; Local Government Training Board, Aradale House, Aradale Centre, Luton, LUI 2TS; Association of County Councils, Eaton House 66a Eaton Square, London, SW1W 9BH; Association of District Councils, 26 Chapter Street, London SW1P 3ND; Association of Metropolitan Authorities, 35 Great Smith Street, London SW1P 3BJ.

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**Richard Evans** 



MANAGEMENT CONSULTANCY MARKETING MATHEMATICS MOTORING

MANAGEMENT CONSULTANCY

#### **Beware** tales of speed and glamour

T WORK about 10 hours a day at the moment - we're going through a quiet spell," says Carolyn Forrester.

Ms Forrester joined Andersen Consulting, an international consultancy best known for its work in information technology, two years ago after graduating from Exeter University with an English degree. In September she will be made a consultant.

Mark Oakes, a colleague, joined Andersen just a year ago, after graduating from Cambridge University with a degree in chemistry, and is still an associate consultant. He is working about 14 hours a day. They are part of a team which is putting together a computer system, due to become operational in October,

for Associated Newspapers. Management consultancy has recently been one of the most attractive careers for graduates. A certain cachet attends to consultancy; it is a career shrouded in glamour, stories of high pay, foreign travel and fast lifestyle.

Ms Forrester and Mr Oakes agree that the image of consultancy is different from its practice. They emphasise the hard work and demanding nature of the job as well as

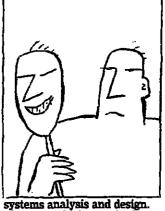
the fun and the challenge. Andersen puts a lot of effort into training. Recruits spend the first six weeks learning foundation skills in computing, and then applying them by doing a case study at Andersen's training centre at St Charles, Illinois. Over the first four years, recruits do courses on business practices, system installation and design, and client services. Ernst and Young takes a

different approach. It hires about a dozen graduates, for a fixed term of two years. Called research assistants.

they are assigned research tasks as well as doing some client work across a broad range of the firm's activities.

John Crawshaw, director of support services at Ernst and Young, says the firm views the research assistant job as an extension of a graduate's education "on the basis that many graduates do not know what they want to do". After two years, the graduates are placed with clients or go on to study for a masters degree in business administration, sponsored by the company.

Many of the large consultancies emphasise information technology. Price Waterhouse, which hired 130 graduates last year and plans to recruit 150 this year, puts them all though 18 months of IT training, involving computer programming.



The firm, which recruits from a broad range of universities and polytechnics, plans to promote its recruits to consultant level after five

PA Consulting also sends many of its recruits down the IT track. Last year 30 graduates were recruited, and this year it plans to take on 20 in the face of a slower economy. Three quarters of these will be channelled into its IT practice; the rest into strategy consultancy.
"We believe we can offer

long-term career prospects. but a sizeable proportion of our graduates do leave us,' says Dick White, PA's man in charge of recruitment. "But we do not take the view that graduates are low-cost fee

According to Mr White, the main factor that makes for high turnover among graduates is that they do not get line managerial experience "To many they see this as a major gap in their CV and that's the reason why they

leave; they want to fill a gap. An entirely different kind of consultancy is the Boston Consulting Group, which practises strategy consulting high level advice about

where to go and how. BCG takes eight to 10 graduates a year from the 150 it interviews. It looks for academic high achievers who have participated fully in student life. It likes to keep its graduates

Typically a BCG graduate will spend two years with the firm then be placed with a client in industry for a year and, if all goes well, be sponsored for an MBA.

Management consultants pay well because they want the best graduates. First year graduates can earn anywhere from £15,500 to £19,000, depending on whether they join a general consultancy or a strategist. Future rewards are even better.

Many graduates find that the reality is more mundane than the promised glamour. Graduates are sometimes used as cheap number crunchers who are pushed out after a few years. The experience can

the embittering.

The principle of caveat emptor applies as much to the appraisal of products as it does to employers. There is, therefore, no substitute for finding out from employers what they expect. Before accepting an offer it is worth talking to those for whom one will work and assess the working conditions. Further information: Institute of Management Consultants. 32 Hatton Gdns, EC1 (Tel 071-242 21409). IMC will provide general information on management consulting but not careers advice; Management Consultants Association, 11 West Halkin St, SW1 (Tel 071-235 3897). Represents most of the big consultancies but not the strategists. Its membership list may prove helpful but the MCA does not offer career

Simon Holbertor

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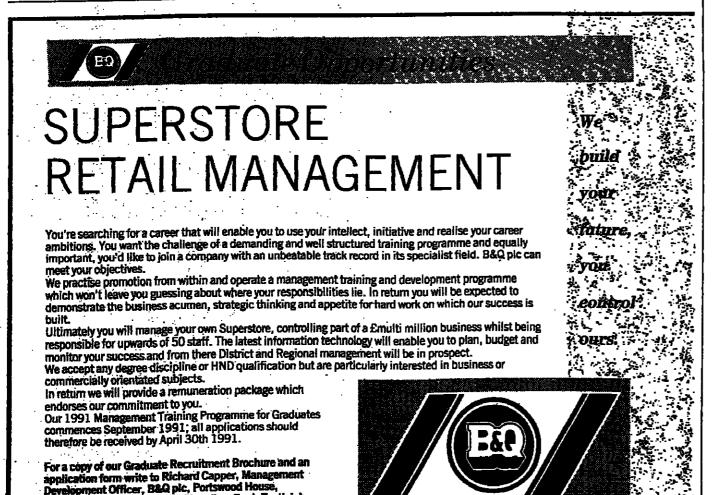
If you're good enough, it's on to Sandhurst for seven months graduate training. Here you'll be faced with assault courses for the mind as well as the body. Survive them and you'll leave as an officer.

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As for money, at Sandhurst you'll receive £10,548 which rises to £13,884 on completing the course. Pay is reviewed annually. Company cars, by the way, usually come in green and are armoured.

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MARKETING

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unlimited "HOW are you going to enjoy talking for a living?" That is the first question graduates thinking of a career in marketing should ask themselves, says Martin Duffell, head of management recruitment for Unilever. "Many graduates seem to think marketing is a purely mental activity," he says. "But it is no use having a thousand

good ideas if you cannot get them implemented. You have got to be able to sell ideas, persuade people into accepting Peter Lester, of Whitbread, the brewer and retailer, says: "Many seem to believe that marketing is all about making humorous ads for Heineken. They are not aware of the basic

organisational skills involved. the analysis, the planning." Marketing covers such a wide range of activities, from product design to sales promotion, that it is little wonder misconceptions persist in spite of the fact that marketing now ranks, with media, advertising, merchant banking, and management consultancy, among the most popular career choices. Some experience of the job, or a thorough grounding in what it entails, is likely to help in making a good first impression, at least; and first impressions can be vital. The Chartered Institute of Marketing, which runs a one-year, part-time marketing diploma course for graduates, can provide further information.

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The fast-moving consumer goods companies, such as Unilever, Procter & Gamble and Mars, where the marketing culture is deeply ingrained, still provide the most popular openings. Unilever, probably the country's largest marketing recruiter, had more than 1,500 applicants for 50

posts last year. The basic business truth that the market place determines whether a company is successful is much more widely recognised in British industries are following the example of the makers of soaps

and detergents, food and drinks, toiletries, cosmetics, and confectionery. There has been a surge in marketing activity by financial institutions - banks, building societies and insurance

companies. NatWest this year recruited half a dozen graduates for marketing posts. Marketing awareness is filtering down from industrial giants, such as ICI, to medium-sized and smaller

More and

companies. Football clubs, charities, accountants, lawyers and some universities are using marketing techniques.

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Jenny Lees-Spaiding

The demand for marketing expertise has fostered a fast-growing services industry: independent specialist Accent is companies supplying market research, computerised on selling consumer databases, direct mail, telephone marketing,

and sales promotion. More opportunities are now available here for graduate entrants, though they are not always well advertised and training is rarely well

structured Most of the leading marketing recruiters do the rounds of the universities and polytechnics. Unilever this year recruited from more than a score of institutions - and from across as many

disciplines. Graduates in history, geography, economics, law, physiology, chemical engineering, Arabic, French, German, design and technology, as well as busines studies were among those offered jobs. Just one post

went to a marketing graduate. Of the successful applicants, 42 per cent were women, evidence of the generally higher profile women are

enjoying in the profession. Except for some technical areas, Mr Duffell says a degree subject is less important than personal abilities such as communication and analytical skills, an original and well-ordered mind – "Nothing punishes sloppy thinking more fiercely than the market. Numeracy is essential: ability to speak a foreign language

a bonus. Unilever's starting salary in London this year was £15,300; in outer London about £14,000; and £12,750 in the

Graduates are attached to a brand management team for a two-year training period.

They are assigned to a variety of projects, from checking the legal requirements of product labelling to drawing up a brief for an advertising agency. The programme also includes an intensive business education course and brief secondments

to other company departments After the two years, the first appointment is usually as manager of one of the company's smaller brands with responsibility for the marketing effort to increase the brand's market share and profitability.

Marketers are increasingly making their way through general management to the chief executive's desk. But there are opportunities to move from one sector of industry to another, to go into advertising or other specialised

marketing services. There is great job mobility among marketing professionals. One recent survey found that two-thirds of marketing executives had held their present jobs for less than three years, and nearly half had been appointed from outside the company. Further information: **Chartered Institute of** Marketing, Moor Hall, Cookham, Maidenhead. Berks

#### **MATHEMATICS**

#### An open sesame for the figure conscious

MATHEMATICIANS are often derided as introverts in duffel coats whose field of study is a closed system bearing little relation to the real world.

In fact, a degree in mathematics opens a surprisingly wide range of career opportunities, across manufacturing industry, the services sector and government. As the Mathematical Association states, "graduates can apply mathematics in all branches of engineering: civil, mechanical, electrical, electronic, chemical, telecommunications; in the production of all forms of energy, in transport; and in distribution, both wholesale

and retail". Many mathematicians will admittedly be inclined to follow obvious career paths. Teaching mathematics is not very well paid, but probably for that reason education authorities around the country are crying out for people able to teach classes in the subject.

A mathematics degree is not a requirement for entry into the accountancy profession, but obviously numeracy is a great help. The early years of accountancy training are frequently consumed by the mind-numbing task of poring over the minutiae of company accounts. The potential rewards are, of course, much greater than those for teaching.

For those seeking a wider field, much will depend on the branch of mathematics in which the graduate specialises. Those who have studied applied mathematics might find that engineering companies offer an attractive home. For example, Mrs Sheila Shipton, the honorary assistant secretary (careers information) of the Mathematical Association, started her career with Rolls-Royce. Designing new aircraft engines is an incredibly complex task involving large numbers of mathematical calculations.

Statisticians have a particularly wide range of careers from which to choose. The Civil Service is the largest employer of statisticians in the UK. Apart from the endless task of devising new ways to calculate a drop in the unemployment figures, statisticians can be involved in the population census, the Family Expenditure Survey and the compilation and assessment of other data which the government needs to devise its economic and social policies. Local government also has a large requirement for statistical services.

Philip Rawstorne But opportunities are not solely concentrated in the

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public sector. The Institute of Statisticians lists a large number of organisations with statistical departments. In industry, British Steel, ICI, and Unilever all have

statistical sections. Quality control is often an important field for statisticians working in industry, defining precise standards to ensure that products conform to consumer desires. Statisticians can also be used to ensure that factories are working

efficiently. In market research organisations with statistical departments include the BBC. J Walter Thompson and NOP. Many manufacturers also have their own market

research departments, but the Institute of Statisticians warns that joining such a company may result in limited experience of the sophisticated techniques involved, since much of the work may be contracted out to specialist companies. The Institute recommends that "ideal training would be two or three years with a general research organisation followed by a similar period in the market research department of a large

manufacturing organisation? Less obvious outlets for statistical expertise include biometry, the science of the application of statistical methods to biological facts. Active in this area are the Agricultural Research Commission, the British Museum's Natural History Department, the Forestry Commission and the Nature

Conservancy Council. The world of medicine also has a healthy appetite for statistics. Large drug companies such as Glaxo, Smithkline Beecham and Wellcome bave statistical departments, as do many large hospitals and the Medical

Research Council. Mathematicians often find homes in the financial sector. One lucrative bolt-hole is the actuarial profession, which conducts detailed assessment of the assets and particularly the liabilities of insurance companies and pension funds. Training to be an actuary is hard – it takes more than seven years, on average, to pass the exams - and there

are only 3,400 actuaries in Britain. Another City outlet for nathematicians is that of a backroom boffin, or "rocket scientist" devising new products for merchant banks. Financial instruments have long since ceased to be divided into neat categories like stocks and bonds. Many instruments are hybrids between the two, which trade off lower interest rates for the prospect of a profit through a higher share price. The complexities of foreign exchange movements and tax avoidance often make

the equation even more complicated. In addition, there are many risk management instruments interest rate and currency swaps, options and futures to name a few - designed to offer investors and corporations protection against adverse exchange rate, interest rate and share price movements. Traders of these instruments are forever trying to spot and

exploit pricing anomalies between the various markets the process known as arbitraging. A fair knowledge of mathematics is an advantage when, say, devising a pricing model for an option to convert Japanese yen into

US dollars with a five-year exercise period. Although the City has been suffering from over-expansion in the mid-1980s, the quick-witted should still be

able to find a well-paid post.

MOTOR INDUSTRY

#### On the road to a brighter **future**

THE MOTOR industry in the UK is looking to the decade of the 1990s in an expansive mood in spite of the setbacks inflicted in the past 12 months by high interest rates and the economic squeeze.

Opportunities for graduates in the sector, one of the world's biggest users of high technology, are brighter than for many years.

Output of cars is expected to rise faster in the UK in the coming decade than anywhere else in Europe, helped by heavy investment by Japan's three leading car makers, Toyota, Nissan and Honda. At the same time sweeping

rationalisation measures, increasing investment and five successive years of record car sales have combined to bring the motor industry to a more robust state of financial health.

The long years of losses at Vauxhall, the UK subsidiary of General Motors, and at Peugeot Talbot, the UK subsidiary of Peugeot of France, were ended in the second half of the 1980s, and both companies enjoyed record profits last year.

Rover, still the biggest car maker in the UK, appears to have found firm ground in its alliance with Honda after being returned to the private sector with its takeover by British Aerospace in 1988. At the same time Ford, which dominates the UK new car market with a share of more than 25 per cent, remains firmly committed to its UK manufacturing base with a far-reaching investment programme and its £1.4bn

takeover of Jaguar, the UK luxury car maker. Certainly the downturn in the domestic UK new car and commercial vehicles markets during the past 12 months has exacted a financial toll with intensified competition and

squeezed margins. However, the sharp improvement in quality and productivity achieved by car makers in the UK in recent years has helped to close the gap with assembly plants in continental Europe. As a result the multinational automotive groups are increasingly prepared to use their UK plants as a source of supply to continental European markets as well as to the UK, which should help to cushion the British car industry from a sharp downturn in the

domestic market. Nissan, Toyota and Honda have all chosen the UK as the location for their first European car assembly plants, and General Motors is investing £160m to build a new engine plant at its Ellesmere Port plant in Cheshire.

According to Mr Paul Tosch, chairman and managing director of Vauxhall, "the modern, high-tech motor industry of the 1990s has much to offer ambitious graduates not least the breadth of opportunity offered in the industry through a great diversity of career paths". The motor industry in the

UK and worldwide has been, and is still being, drastically restructured, with the result that graduates seeking employment in the sector would enter one of the world's most international industries. The need to operate as global players is one of the most 0203-40 2121.

remains of a "UK-owned" auto industry, opportunities should abound in the 1990s to enter the international automotive industry through the UK operations of the world

players. The world's two biggest car makers, General Motors and Ford, are well established in the UK, and the three leading Japanese players will all be expanding rapidly in the UK. While the first step for the Japanese is to build up manufacturing operations, it

is clear, at least in the case

of Nissan, that the UK is also

to become its main European

base for its design and

By the 21st century, the "intelligent" car controlled by a computer will have superseded the models of old driven by humble humans

engineering operations. Nissan is establishing two centres for design and development in the UK as part of a £31m investment, which will create more than 350 new jobs. Nissan European Technology Centre, the company which will form the European link in the company's planned global research and development network, is to locate its main operation at the planned technology park at Cranfield Institute of Technology in Bedfordshire. A second

£610m car assembly plant site in Sunderland. Ford has recruited around 230 graduates in 1990, a record number, up from 215 in 1989 and 158 a year earlier. Of the total in 1989 70 were computer specialists and 66 were engineering graduates. Some 39 were Ford-sponsored graduates. Ford sponsors around 200 students, mainly in engineering and computer-related disciplines.

although it is also increasingly

operation will be established

at the company's existing

sponsoring MBA students. Vauxhall, which recruited 50 graduates last year, 30 more than in 1988, maintains that opportunities for graduates in the motor industry span a wide range of disciplines. Sales and marketing recruit from business studies, economics, accountancy and mechanical engineering graduates. Personnel would tend to look to business studies and psychology, while production recruits from mechanical engineering, production engineering, manufacturing technology, electrical/electronic

engineering, business studies and economics. Vauxhall maintains that it takes a flexible approach to the deployment of graduates within the company, with the general abilities of a candidate often outweighing consideration of the specific type of degree held. It cites the recent example of three biochemists recruited to its finance department, where the graduates' analytical abilities made them well suited

to the department's needs. The minimum salary paid by Ford to a newly qualified first degree graduate is £13,092, rising to £14.977 after 18

months. Further Information: Society of Motor Manufacturers and Traders, Forbes House, Halkin Street, London SW1X 7DS. Tel Street, London SWIX 7DS, Tel 071-235 7000; Rover Group, Canley Road, Coventry, CV5 6QX. Tel 0203-675 511; Ford of Britain, Brentwood, Essex, CM13 3BW. Tel 0277-253 000; Vauxhall Motors, Griffin House, PO Box 3, Osborne Boad, Laton, LUI 3VT, Tel Road, Luton, LU1 3YT. Tel 0582-426 926; Peugeot Talbot, International House, PO Box 712, Bickenhill Lauce, Marston Green, Birmingham, B87 7HZ. Tel 021-781 4400; Nissan Motor Manufacturing UK, Washington Road, Sunderland, Tyne and Wear, SR5 3NS. Tel 091-415 0000; Jaguar Cars, Browns Lane, Allesley, Coventry, CV5 9DR. Tel

#### Forget about oily rags and widgets

DO NOT be misled by the humdrum-sounding term

'motor components". The image it conjures up, of machine shops producing a stream of boring widgets to the precise blueprints of the vehicle makers, is unrepresentative and hopelessly outdated

In reality, the components industry is large, complex and potentially highly rewarding for graduates across a very broad range of disciplines. There are several main reasons for this.

The vehicle makers are coming to regard themselves as primarily assemblers of component systems. Increasingly, they are transferring the burden of design, development and manufacture of even the most complex component systems and sub-systems to external suppliers, with whom they have been establishing sophisticated data exchange

Cars and trucks, by their very nature, are complex and are becoming more so under the pressures of intensified competition and legislative demands, such as those concerned with reducing exhaust emissions. There is hardly an area of scientific, technological or engineering activity which vehicles do not embrace. Electronics, for example, is playing an increasingly crucial role. On-board computers already control such systems as fuel injection and ignition timing,

anti-skid brakes and some advanced automatic gearboxes By 2000, the industry expects the "intelligent" car to have arrived, in which virtually all its systems - perhaps even the steering - will be

controlled by a computer.

There is the search for and development of new materials which might perform required tasks more efficiently than conventional metals - as just one example among hundreds, the successful replacement of heavy steel truck springs by plastic composites which ast much longer and weigh less t<u>han half as much</u>

It is an industry, in short, in which the larger players have moved substantially from being order-fillers to active innovators. GKN, one of the biggest UK industrial groups, has gone so far as to set up task forces, under the name

Project Extra to seek out systematically inventors in Europe and North America with good ideas but no resources, so that worthwhile innovations can be developed on a partnership basis. It should be clear from all this that the components

industry is capable of absorbing graduates from disciplines ranging from chemistry — for example, the chemicals glants Dow, Dupont and GE all have large automotive divisions researching areas such as plastic-bodied cars of the future – through metallurgy to electronics.

Not too many years ago, a decision to enter the sector would probably have meant a graduate spending an early career strictly in the UK. Now, the motor industry is well down the road towards "globalisation" - a car may be designed in one country, sembled in several others, and its key components, such as engines and transmissions, may come from half a world away. Cars and vans built at Vauxhall's UK plants, fo example, have had some of their body panels produced (from UK steel) in West Germany and Australia, while gearboxes have come from the

Philippines.
The big component makers have inevitably followed the vehicle makers themselves into globalisation. All the big UK component makers, such as GKN, Lucas Industries. T & N and others have long since established technical and manufacturing centres in North America and elsewhere to be participants in the motor industry's global chess game. Not least, after years of decline, the UK-based, if not owned, motor industry is on

a firmly expansionary course again. From a 1980s' low point of 880,000 cars produced in 1982, the industry is now expected to be producing at least 2m new cars a year by the mid-1990s as Peugeot and Nissan production expands, and Toyota and Honda plants come on stream There is a steady influx of

new companies to expand the components sector -Nippondenso of Japan and Magneti Marelli of Italy are setting up a £65m joint venture at Telford, for example, while Robert Bosch, the West German electronics giant, is well advanced with what will be a very large components

complex in Wales.

Overall, the sector really does not deserve the relatively low-status image which still clings in the UK The career variety aspect of the business is stressed by BIII Clarkson, training Continued on next page

Read the following Financial Times surveys on

#### The Motor Industry

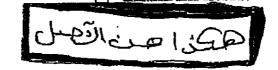
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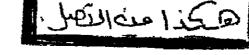
1st November 1990

Japanese Automotive Industry December 1990

Car Retailing and Distribution May 1991

Executive Cars June 1991





Continued from previous page You'll have manager of Automotive Products, the brakes, clutches and other motor parts subsidiary of the BBA group. AP's graduate intake is mainly in engineering, plus a sprinkling of computer sciences graduates. Like most such companies, AP's graduate training is grounded in a two-year basic training programme, part of which invariably includes secondment to overseas operations.

The two-year programme is needed, says Bill Clarkson. because the variety of jobs is so great, and it is important for the graduate intake to identify preferred career paths.

In recruiting graduates, apart from formal qualifications AP looks for an enthusiastic interest in cars and clear signs of what Carkson describes as "self-motivation"

The components industry would also like to see more women graduates in the field They blame the uniquely British "oily rag" image of deterrent. It continues to make recruitment difficult. particularly given that the components industry is expanding at the same time as the absolute number of new graduates is shrinking. Indeed, the shortage is such that some

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THE motor trade - comprising those who distribute, sell, service and repair motor vehicles – is one of the few sectors held in lower public esteem even than estate agents.
If tends to generate a series

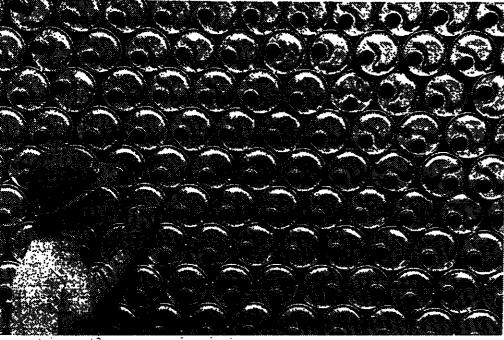
of clichéd images, but the modern motor trade, or at least a substantial and growing part of it, is simply not full of fat-cat dealers and ferret-faced rip-off artists. The number of operations which still loosely fit these images is dwindling and doomed. There will be no room for them in the competitive and professional climate of the 1990s, particularly after 1992 Increasingly, the motor trade is being conducted by large public groups, answerable to shareholders and subject to the rules of the Stock Exchange. They are of growing interest to graduates because they have well developed management structures in which career advancement is more linked to graduates

help rid the motor trade of its 'Artur Daley' image", is recruiting what it describes as record numbers of graduates become managers.

The numbers are still not large - 15 to 20 a year for Lex Retail, its dealerships arm. But Lex is only one among dozens of dealer groups seeking to attract graduate talent and this new, professional motor trade is capable of mopping up several hundred graduates per year. Nor, among the larger public groups at least, is the downturn in new car sales prompting any significant cut-back in graduate recruitment. Such recruitment programmes are seen as an investment in the long-term future of the sector, and largely aloof from the notoriously cyclical nature of the sector's new car sales. Indeed, it is a measure of the multi-faceted nature of the retail motor trade that, for well-managed groups, probably only a fifth of profits come from new car sales, with the remainder provided by service and repair business, sophisticated financing packages, used car sales and other "add-ons".

Suprisingly, given the spuriously macho image still clinging to the trade, women comprised one-third of Lex's graduate intake last year. All graduates are put

OIL



There is an inexhaustible supply of jobs for bright graduates in the motor trade

of the larger UK groups are planning to recruit from continental universities. Inevitably, the financial

inducements are rising, as competition for graduates increases - although the sector has yet to join the top ranks of payers. Most offer about £11,000 on joining the company, with a typical salary of around £18,000 for an engineer aged 24.

Thereafter, salary levels are determined wholly by the individual's progress — not necessarily in an engineering speciality. All the major components groups say there is plenty of scope for engineers to make the jump into general

There is plenty of proof of this. The chief executive of BBA, for example, started his career with the company as a graduate recruit.

**Further information: Society** of Motor Manufacturers and Traders, Forbes House, Halkin Street, London SW1X 7DS; Institution of Mechanical Engineers, 1 Birdcage Walk. Westminster, London SW1H 9JJ; <u>Institute of the Motor</u> Industry, Fanshaws, Brickendon, Heriford SG13

John Griffiths

developing formal business skills than to old-style

Indeed, during rapid expansion of the public groups which took place through the second half of the 1980s, many group chairmen and chief executives have deliberately sought their accountants. administrators, marketing chiefs and other executives from outside the motor trade As Mr Nick Lancaster, head of the Lancaster group, which has several dozen car and truck franchises, stresses: "You can always make a good manager into a motor trader: but you can't necessarily turn an old-style motor trader into a good manager."

Mr Lancaster, like the heads of other large dealer groups, is conscious of the slow rate at which the trade's poor image is changing. So, too, is Lex Service, among the largest vehicle retailing and distribution groups in the UK. It has more than 60 dealers selling various makes of car and truck, has the Volvo import concession for the UK, and is also engaged in providing industrial services and computer systems, as well as manufacturing electronic components. Lex, in a self-proclaimed attempt "to

through a two-year management training programme, during which they gain working experience of the various departments in a modern car dealership en route to the most common goal of becoming a dealershi

> general manager. Lex uses sophisticated selection techniques such as psychometric testing. Most candidates, according to Lex Retail Group's managing director, Mr David Beck, come direct from universities, but a small number is recruited from other careers.

Graduates are provided with a two-year "personal development plan" combining on-site training at a dealership and theoretical instruction at Lex's group training centre in Banbury. After periods in sales, service, finance, parts and administration, trainees are assigned to a semi-permanent post en route

to a supervisory level.
At entry level, the motor trade is neither among the worst nor best in terms of pay - typically between £11,000 and £12,000. On successful completion of training, the individual choice made in terms of next steps - whether as a sales manager in a smaller dealership or as part of an accounting team at a large one

 makes it difficult to be specific about pay levels. However, a service manager in his mid-20s in a smallish outlet is likely to earn around £25,000; the general sales manager of a larger outlet £35,000 or above. In terms of potential earnings, one of the attractions of the motor business is that something resembling the sky is the limit. For real high fliers, six-figure salaries are achievable and most senior managers earn on a band between £30,000 and £55,000. That excludes the perks, of course - a car as a matter of course and private health, care.

Other attractions of the sector include relatively free mobility – good managers are in short supply, which will grow shorter as the supply of graduates diminishes and the large, professional groups

expand their grip on the trade. Since dealerships operate throughout the country, it is easy to get a small-town posting with the benefits of that way of life. And as Europe integrates and more pan-European dealerships are set up, so the chances for postings abroad will increase. The Inchcape group, for one, is already acquiring Continental dealers through

its Mann Egerton subsidiary. The main drawback, likely to remain for some time. is that slightly old-fashioned look which can come in response to your announcement that you're in "the motor trade . . .'

OIL COMPANIES

#### If you think big this is for you

ANY graduate interested in working for a large company would not go seriously wrong starting out in Big Oil. The big oil companies that recruit on campus - BP, Shell, Esso, Mobil – are mini-universes. They take geologists, petroleum engineers, chemists and others from science disciplines. They also need computer specialists, and increasingly take arts graduates. They need marketers, economists, traders and personnel managers and recruit from a wide range of universities.

Oil companies rank among the biggest in the world, but they are not dinosaurs. The oil industry has been cut-throat through the years, and the survivors have made it by attracting good people and looking after them.

Because of the wide geographic spread of the companies and the broad range of activities - from exploring for oil in West Africa or off the coast of Vietnam to accounting or marketing jobs closer to home - a career in Big Oil offers an enviable range of opportunities. There is little danger of getting stuck in a dead end.

The collapse of oil prices in the late 1980s has left an impression that oil is a sunset industry. In another generation or two this may be true, but oil remains the world's biggest energy source, and while the industry will continue to change it will not fade away just yet. Oil companies have the technology, the capital and human resources to assure they will be at the centre of the energy industry for years to come. The technical challenge of assuring that is certain to grow more interesting over the years. The industry has had bad

publicity over its environmental record, but the



You may strike it lucky if you join a big 'un

oil companies are devoting enormous resources to being more environmentally friendly,

and are often succeeding. The oil companies pay and generally treat their employees well. A starting engineer may be offered a salary not far below £15,000 a year, although arts graduates should expect somewhat less than this. Salaries can rise fairly rapidly. Expect to earn between £20.000 and £25,000 in five years, and an average in the low 30s after ten. Talented people get fast promotions, lots of responsibility and bigger salaries. Oil companies like to throw people into "real" jobs quickly, but they offer

plenty of scope for training.
Shell is probably the premier company for most British graduates, although certainly not everyone. The company has been very successful at making employees feel comfortable, getting them to work together, and letting them develop their talents. This is achieved by a process of encouraging people and making them feel part of the

larger group.

If Shell is the company for the team player, BP is better for the individualist. BP employees often seem to be jostling against each other and their competitors as well. Many BP employees would

have it no other way and believe this is a strength of the company. The company is going through many changes under a new chairman, who is trying to address complaints that BP is riddled with bureaucracy. Improved systems for personnel management and career development are being introduced and they promise to make BP a better place to work, although a recruit will have to take it on faith that

the system is improving. Both BP and Shell have their headquarters in London calthough half of Shell's head office is in the Hague), and both companies offer scope for employment around the globe, with attractive expatriate terms. They also offer the possibility of climbing the corporate ladder to the top of two of the biggest and most powerful companies in the world.

Esso, the third biggest recruiter, is by contrast a subsidiary of the US oil company Exxon. While Esso is trying to create more international opportunities for its UK employees, employment at Esso is more likely to resemble working for a big UK-based company. Although Esso has large investments in the North Sea, these are managed by Shell, and Esso may be slightly less attractive to anyone wanting to get his or her fingers oily looking for the stuff or producing it. Esso likes to think of itself as the most informal and easy going of the biggest three. It hires many women – 40 per cent last year.

These are the biggest recruiters, but for good hands-on experience in the oil industry, also look carefully at companies like Mobil, Chevron or Conoco.

A big oil company offers a wealth of career opportunities internally. But for anyone who gets in only to find that big company life does not suit them, working at Big Oil is a good passport to employment elsewhere. Hundreds of small companies in the oil industry are on the lookout to hire people with experience. Further information: UK **Offshore Operators** Association, telephone 071-589 5255.

Steven Butler



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For those who like the fast

lane THE oil industry may appear from the outside as a monolith of giant bureaucracies with tentacles reaching around the globe. This is unfair to the big companies, but it truly misrepresents the grand buccaneering tradition of oil

exploration. This tradition lives on in smaller independent oil companies, such as Enterprise Oil, Lasmo, or Clyde. These companies will not turn up on campus this autumn to recruit graduates, but they will hire a small number of graduates. Just as important for anyone interested in the oil exploration side of the business - from finance to geology - these companies for anyone with experience.

offer good long-term prospects Exploring for oil is a science but doing it well takes creativity and the ability to

and is worth more than \$3bn. It is a big company in Britain, but still very small for an oil company, with a few hundred employees. Because of the small size, Enterprise has not had the resources to train people from scratch, but it has now started taking some people out of school. Anyone who joins the

company will be thrown in at the deep end. The idea is to put a recruit in a team at the centre of the business, and leave open the possibilities for more formalised training.

PERSONNEL

PUBLISHING

**PUBLIC RELATIONS** 

POLICE

A graduate going into finance at the company may start below £13,000, but this could rise rapidly to £25,000 plus a car after a few years when professional qualifications are received. Engineering graduates can start above \$15,000. Some employees in their early 30s may earn as much as £45,000, but the salary differentials at Enterprise are big because pay is based on performance.

Enterprise tries to keep the pressure on employees. It wants no complacency, but will reward them well

"We're playing to win," says John Walmsley, managing



Oil platform: first stop on the management ladder

use precise analytic tools in different types of geology. The management side of the business can be nearly as interesting, because the complexity of oil tax and finance leaves scope for making creative deals.

For these reasons, many oil industry professionals prefer to work in a smaller company where there is less bureaucracy, decisions can be made faster, and where it is possible for an individual to have a real impact on the

performance of the business. The financial rewards can higher too, but the flip side is that small companies offer

less security of employment. Enterprise Oil, the fastest growing and most successful of the independents is a case in point. Enterprise Oil was set up in 1984 from a collection of North Sea assets assembled by the government and then sold to the public. Since then it has grown at a rapid rate

That means taking risks, and in the end Enterprise might not win. Ever since it was privatised, one big company after another has been on its tail, hoping to take it over. So far they have all failed.

Shareholders in Enterprise have not wanted to sell their shares because Enterprise has been so successful at finding oil and making deals to buy it cheaply. They have made a lot of money and want to hang on for more. Yet if Enterprise falters, it is certain to be gobbled up.

The small independent oil exploration companies are almost certainly the most exciting part of the business. The rewards are high and the competition is tough. For anyone who enjoys living life in the fast lane though, it has to be the most attractive side of the business.

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and Jakarra. We have also recently opened a London office.

Steven Butler

PERSONNEL

#### **Want to** work with people? Forget it

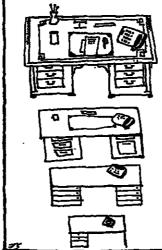
SO YOU want to "work with people". Then personnel management is not the job for you, says the Institute of Personnel Management, the body which sets standards for professional people working in personnel in the UK.

not - and this cannot be stressed enough - a job for work," says the Institute, which ironically began life as a welfare association.

membership development officer at the Institute, says it is not the personnel manager's job to manage people as such, but to provide the specialist knowledge and service that will assist other members of the management utilising and developing individuals to achieve

corporate objectives," she says Personnel management is not for the sentimental. While you may be called upon to advise people about their careers or plan training programmes, the tlip side is much less pleasant. You may be called upon to give official warnings, to sack people, to let someone know his or her career is going nowhere. If you do not have the stomach for these activities, perhaps you

A recent advertisement for a personnel officer at Tesco, the food retailer, highlighted this goal. The job, said the advertisement, involved executive and graduate recruitment, consultation about employment law and company policy as well as career planning. "In every area, you will have the opportunity to make a significent contribution to the management team and their success will be a reflection of yours." Heady stuff. Tesco adds: "In return we offer excellent prospects for personal and professional progression."



Indeed, personnel work can forge a career path that leads to the company boardroom and several senior executives, including Sir Len Peach, a former chief executive of the National Health Service, have worked in personnel and have its professional qualifications.

Training and development

Salary policy and administration ■ Employee services

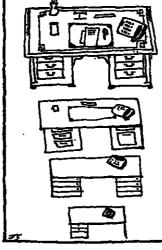
Not all personnel departments would take in all these functions, and every personnel person would describe his or her job differently, says the Institute. The variables affecting this are the organisation itself, its size, the type of service or product it sells and whether

Large organisations, for example, are more likely to break the personnel functions into constituent parts, with specialist divisions such as training and industrial relations. Marks and Spencer, one of Britain's largest retailers has a sophisticated hierarchy of personnel functions. This spans jobs at the local store level — with personnel staff at each of the 270 stores having a wide range

"Personnel management is people who simply want to work with people, nor is it some kind of industrial social

Miss Pat Marshall, team. "Personnel work is about

should consider social work.



In general the personnel

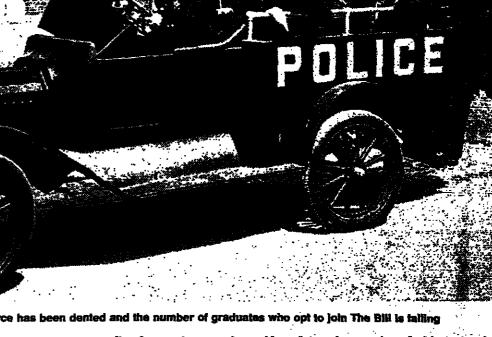
function can be sub-divided into six main areas: ■ Recruitment and selection

■ Employee relations

Human resource planning

the staff is unionised. of responsibilities – to specialist head office jobs Most employers do not

demand formal qualifications of graduate recruits to their personnel departments. There are no obligatory degree subjects, although a social sciences background is probably preferred to a pure science degree. Vacation work experience is valued. The IPM said "this could involve practically anything that brought the student into contact with people rather than writing the great novel".



Public confidence in the police force has been dented and the number of graduates who opt to join The Bill is tailing

for professional qualifications. Six out of the 11 advertisements for experienced personnel managers and officers in a recent edition of Personnel Today, the magazine for personnel, training and recruitment, said IPM qualifications were either mandatory or preferred.

The IPM's basic professional educational qualification, secured after the successful completion of three years of part time study, is that of a graduate of the IPM (Grad IPM). After at least two years of work experience, and with a minimum age of 23, the individual with the Grad IPM can become a full member. Fellows are appointed after 10 years.

Many employers have their own personnel training schemes. Marks and Spencer runs its own training programme with the personnel trainees' induction incorporating the company's core training programmes.

M & S, which in the past has tended to train its own personnel staff rather than recruit externally qualified people, does not require that staff train for IPM qualifications.

Some in-house training programmes, such as those provided by Trust House Forte and the Civil Service, are modelled on the IPM courses and are formally recognised by the IPM.

For the fully qualified person

personnel is a field with a secure future, in which salary increases push ahead of inflation because of demand. Starting salaries for trainees are around the £11,000 mark in the south-east, with junior to middle management levels demanding salaries of about £16,000, according to Reward, the salaries consultancy. It also pays to pick and choose, with hi-tech electronics and computer companies offering particularly glossy salaries. Further information: Institute of Personnel Management, House Camp Road. Wimbledon. London SW19 4UX. Tel 081-946 9100

Lisa Wood

POLICE

#### A chance to join the beat generation

FT HAS not been a good year for the police, Recorded crime in England and Wales rose by 15 per cent in the first quarter, the largest increase since Home Office records began in 1857, and public confidence and morale has been dented by cases of alleged corruption and indiscipline. A series of incidents has

tarnished the image of the police. The confessions that convicted the Guildford Four were "unsafe"; a new investigation has been launched into the treatment of the Birmingham Six; there have been complaints over the policing of the Trafalgar Square poll tax riot, and, in Ulster, allegations of a shoot-to-kill policy against suspected terrorists. Leadership standards are coming under renewed scrutiny and, in spite of intensive recruitment

campaigns, the number of graduates who opt for a police career is falling. The Inspectorate of Constabulary's annual report for 1989 said only 325 of last year's entrants had degrees, 76 fewer than in 1988 and 171 fewer than in 1987. The report also said the proportion of entrants with

makes depressing reading for Superintendent Richard Buller or Special Branch.

the graduate liaison officer at the Home Office. Supt Buller claims, however, 1989 was a good year for recruiting graduates to the accelerated promotion scheme (APS).

Of 924 graduates who applied last year to join the scheme 324 were rejected before being offered an interview; 160 were rejected at the board interview with the force to which they applied; 277 were offered the opportunity to join as regular officers; and seven of the 43 forces in England and Wales saw no applicant advance

beyond this stage. Extended interviews, which last three days at a central assessment centre, were offered to 163 applicants. There were 43 successful candidates offered places on the

accelerated scheme. Supt Buller says police forces are run like businesses and as such can afford to reject all but the best applicants.

He is, however, unhappy that almost 30 per cent of the graduates offered jobs with the police drop out soon after joining. "We are very successful graduate recruiters. We aim to put off those people who are likely to join and then withdraw," he says.

The high drop-out rate is blamed partly on the realisation by recruits fresh from university or college that they face at least two years as a junior constable on the beat before they have any

chance of promotion. Successful APS applicants can move into specialist areas such as CID after completing two years' probation as constables earning between £9,900 and £12,462. A career development officer then advises the graduates the area into which they should move. Foreign language graduates,

for example, could use interpol

The ride up the ranks can be rough. Ordinary officers, who may spend their entire careers at the rank of constable, do not always welcome "bright young things" in positions of authority. Retired Chief Inspector

Dennis Williams, of the Home Office graduate liaison office, warns potential applicants that they are not guaranteed promotion and the career path is not all plain sailing. "There is a certain amount of antipathy to graduates but no hostility," he says. Chief Inspector Nicholl, a

successful graduate officer, thinks the antipathy is no greater than at any other large corporation.
Chief Inspector Caroline

Nicoll, who read law at Bristol University and joined the Metropolitan Police, is more concerned about perceptions of the police following complaints against particular forces. She fears potential applicants may be deterred by controversy such as the 724 allegations against the West Midlands serious crime squad, which was disbanded amid allegations of fabricating

ridence. Chief Insp Nicholl, one of only five officers of that rank who joined the police force in 1977 on the graduate entry programme, thinks "there has been a slip in confidence and in part it's due to our shortcomings. We have got a crisis in confidence."

Ms Nicholl hopes this autumn to become the second superintendent from the class of 77. If she makes the grade she will be earning more than £28,000 - a competitive salary which does not include housing allowances or free accommodation. Of the 397 graduate entry places offered since the APS

STRENGTH - WORLDWIDE - SPECIALISED ENGINEERING

was launched in 1968, only 31

are filled by women. Recruitment officers fiercely deny allegations that sexual discrimination is to blame for the small number of women officers in senior posts. Alison Halford, Merseyside assistant chief constable and Britain's highest ranking policewoman disagrees. Ms Halford last month took the police to an industrial tribunal claiming sexual discrimination by her superiors has held her back

from further promotion. If after two years as a constable, the graduate fails the promotion exam to the rank of sergeant at the first attempt, they lose their status on the scheme. Successful officers go on to join the special course. The special course begins after six months as a uniform sergeant. The course, which lasts 13 or 27 months, leads to promotion to inspector. A successful officer can advance from recruitment to inspector within five years - moving up the salary scale from around £10,000 to £18,129 in a provincial force.

Supt Buller would like to see a more rapid advance beyond inspector. "If all goes well, it takes eight years to get to chief inspector. That's too long."

Forces keen to attract more applicants, such as Devon and Cornwall, are offering summer vacation work to undergraduates, paying £75 a week. Others offer familiarisation courses where potential applicants spend a few days with their local force.

Other schemes include opportunities for serving officers to study further. Further information: Graduate Liaison, Room 533, Home Office, Queen Anne's Gate, London, SW1H 9AT.

Tim Burt

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#### **Every** industry needs a little PR

NOTHING infuriates people in public relations more than the cliche of their industry being a refuge for the red-nosed hacks and chinless wonders who are too burnt-out to cut it on Fleet Street or in the City any more.

This cliché, however, like so many others, is not entirely devoid of truth. There are still burnt-out journalists mistyping press releases in tiny offices along the back streets of the West End and the City. But there is another side to public relations much more appealing to ambitious undergraduates big consultancies with networks of international

These consultancies -Shandwick, a publicly quoted company which now owns the world's largest PR network; Hill & Knowlton, part of the US network owned by WPP, the marketing services group; and Burson-Marsteller, another US network which is part of Young & Rubicam, the advertising agency - are all

keen to attract graduates. One way of deciding whether PR is really the industry for you is to attend the Careers' Day organised by the Institute of Public Relations in early spring. The event includes speakers from different parts of the industry, who explain what PR is all about.

Public relations tends to be seen in terms of writing press releases or organising press conferences about a new brand of chocolates. But there is more to it than that. Public relations is an umbrella term covering everything from political lobbying, to press relations and event organisation.

There are many different categories. You can choose between consumer public relations, where you are publicising particular products or services, or corporate, where you are representing a

company. There is entertainment, where you might organise the publicity for a rock band or a movie star. Fashion, includes staging fashion shows. In crisis PR a consultancy is drafted in to help a company after an oil spill, for example, or a health scare. And there is financial PR, which can invoive helping to plan a major

The first question for anyone considering a career in public relations is whether they want to work for an external consultancy or to work in-house as a PR executive for

a large company.

The external consultancies, the large ones at least, probably offer more variety in that employees have the chance to work on different accounts for different companies. An in-house post offers an opportunity to really find out how a company works and, in the longer term, possibly to move out of PR into another part of the marketing department.

as a long term career, the best bet is probably to apply to big consultancies to join its graduate training programme.
You can, after all, always
switch to an in-house post later
in your career after finishing the training programme.

Shandwick, for instance, takes on around six graduate trainees a year. It receives between 300 and 500 applications and whittles them down to a shortlist of 35 by The test involves the applicants answering questions on industry and the media and writing an article. The 35 shortlisted applicants

go to London for a three-day summer school. At the school they receive presentations on the different areas of public relations and on what it can offer them. They then prepare a "test" PR programme so Shandwick can decide who

Shandwick looks for people with a combination of lively personalities and a good degree. It does not favour one type of degree over another, although a high proportion of its recruits have read English.

In their first year

Shandwick's trainees are paid £10,000 and work as "shadows" to experienced account executives. This involves writing press releases under supervision and some event planning. By the second year they receive £12,000 to £14,000. They have more direct contact with the media and sit in on client meetings to discuss

strategy. When they reach their third year they should have become fully fledged account executives, on £15.000 to £17,500. They will then handle client meetings and plan events on their own. They will also start to take decisions on strategy. After that it is really up to

the individual. One disadvantage of working in PR is that it is still seen as a low status industry, compared with similar sectors such as advertising. Conversely, this means that the calibre of management is relatively low and it is easier for talented people to shine.

Public relations is also a growth industry. This means that consultancies always need new people. The bright ones can - and will - go straight to the top. Or they can always take advantage of the low start-up costs in PR by putting their name above the door of their own consultancy.
Further information: Institute

of Public Relations, 4th Floor, 15 Northburgh Street, London EC1, telephone 071-253 5151; Burson-Marsteller, 24/28 Bloomsbury Walk, London WC1, telephone 071-831 6262; Hill & Knowlton, 5/11 Theobalds Road, London WC1, telephone 071-405 8755; Shandwick, 61 Grosvenor Street, London W1, telephone

Alice Rawsthorn

usually means secretarial appointments for women graduates and jobs in sales for men, and the hope that these will quickly lead to editoriai posts.

Graduate secretaries in publishing are rapidly on the move because they are not secretaries in the conventional sense. "It's like painting the Forth Bridge, finding editorial secretaries; but although it's aggravating we don't really mind because it's training for the industry," says Ms Sally Clack, personnel manager at Penguin.

Penguin, part of Pearson, like the Financial Times, has vacancies for 40-50 editorial secretaries a year but gets about 10 letters a week, mainly from arts graduates. On the next rung up the ladder, Penguin has about 20

vacancies a year for editorial

assistants, who would typically

have about a year's experience

in publishing and earn between £11,000 and £12,000. Within five years an ambitious graduate could have reached commissioning editor or marketing manager level, and a salary of £17,000 to

The appearance of the large media predators and the perennial poaching in the industry has tended to bid up salaries somewhat, although for most people, publishing is still more of a vocation than a way to earn large salaries. Basic secretarial skills ~ or at least the ability to type is probably the most important prerequisite after a degree. This, some fear, tends to tilt the balance between the sexes further in favour of women in the publishing industry, because few men will apply for secretarial jobs. abolishing the title secretary



RECORD INDUSTRY RELIGION RETAILING ROCK STAR



Join the typists' pool and move as soon as possible into an editorial job in publishing

#### You'll need luck to land a first job

THE advice from Mr Nigel Newton, founder and managing director of Bloomsbury Publishing, to those applying for jobs in the industry is clear: "Go to the best company that will have you among the firms that publish the best books."

Mr Newton, 35, a literature graduate who came to the UK from San Francisco, is equally clear about the sort of people for whom he is looking. A good brain helps but "a good dose of common sense" is just as important.

important.
For most undergraduates,
even if they do have
well-developed common sense,
getting a first job in publishing
will be a difficult task, with
few companies offering formal graduate recruitment or training programmes.

"This is because the size of the average publisher does not make it worthwhile to have a formal training programme within the firm, and what's the point when you can hire someone who's had two years' worth of making mistakes at the expense of one of the few firms that do provide proper training." Mr Newton argues. Publishing has changed over the past few years as many of the small- to medium-sized houses have been swallowed up by international media

conglomerates. The industry does retain a willingness to hire "entirely green inexperienced people", which

Read the Financial Times

survey on

The Video Industry

due to be published

Ontoher 96th 1000

and replacing it with something else because, apart from putting off men, the title does not reflect accurately the nature of the work carried out

Apart from the secretarial route, publishers are paying increasing attention to those who successfully complete post-graduate diploma courses in publishing at places such as Watford College of Further Education, the London College of Printing or the South West of England Polytechnic at

Another way in for a lucky few is through graduate recruitment schemes run by publishers such as Reed international or Macmillan Macmillan takes between four and seven graduates a year, and although there is not a formal training programme, they are intended for the fast track and will be rotated quickly through various departments, including a spell abroad. The company gets about 300 applications a year.

Although there are plenty of applicants with degrees in the humanities, there is a shortage of applicants with degrees in "the practical sciences". There most definitely is a place in definitely is a place in publishing for mechanical engineers, says Mr James Richardson, personnel manager of the publishing companies of Macmillan, because the company publishes books about such subjects, as well as more obvious categories such as fiction.

In general, Macmillan is looking for recruits who not only have the potential to be good publishers but also good managers and marketeers. "Some appreciation of money" is also an advantage in an increasingly competitive and business-like activity.

Earlier Macmillan graduate recruits have reached the level of publishing directors, responsible for a whole area of publishing – such as schools – by their early 30s, earning salaries of £25,000 upwards.

For potential publishers, however, the most important factors are persistence and luck - the sort of luck that means a random letter of application to a small publisher lands on the managing director's desk on the day one of his staff has

RECORDING INDUSTRY

#### **Mavericks** are making way for managers

EVERYONE loves a graduate, right? All that trained intelligence, that inquiring

mind? Well, that view does not wear well in the recording business. Ironically, one of the industries whose products most appeal to graduates has traditionally taken a very sniffy attitude to their recruitment.

The received wisdom was that if you were freaked out by music it showed at a very early age and you took a job, any job, in a record company, a music publisher, a recording studio, or one of the myriad offshoots of this hit-and-miss industry, and then worked

your way up. In those days, the big money men and the legal eagles might be graduates. But the really glitzy jobs - finding the talent, producing the sounds, marketing the product - were handled by whizz kids who instinctively knew good music

when they heard it. The A&R men and women, the "Artist and Repertoire" shock troops who act as musical talent scouts, start when they are 17 or 18 years old. Record companies figure they then can identify with the musical tastes of the mass pop-buying public. By 22 they have moved up or moved out. For many key jobs in the record business taking time off to develop the mind at university was seen as a waste

In many leading record companies this is still the attitude. Virgin, for example, has nothing against graduates, but it does them no favours. It tries to promote in-bouse so office inniors become, in time, top executives who know every aspect of the business. Virgin wants enthusiasm, not qualifications. So graduates might be employed but they will start on the reception desk, or as a clerk, or in the car park. If they show the right

It's been a dog's life for graduates in the music business - but things are looking up

attitude promotion will come, although jobs do not come with guarantees.

This approach is not surprising in a company led by a man, Richard Branson, who left school early to make his fortune and who looks for entrepreneurial talents in his staff rather than a knowledge of philosophy.

This is changing - but slowly. CBS now looks for graduates, preferably with a business studies or marketing degree, when recruiting for its marketing, sales and market research departments. It recently took on a graduate with a music degree - almost unheard of in the business: but the recruit was a secretary in the classical music department and her skills were needed to beef up a division attempting to cash in on the latent demand for classical music. There was a graduate scheme at CBS but last year it failed to take on a single probationer. The industry was economising on payroll costs and training a graduate was looked on as a luxury.

Even EMI, which traditionally sees itself as the industry leader, takes on only two graduate trainees a year. Occasionally, it even gives this a miss. It has recently refined its approach. For the past two years it has been looking for

graduates who have one year of work experience, perhaps in the retail trade or another record company, so that they have grown away from student life and have some knowledge of "real" work. EMI's graduate trainee scheme works: participants tend to get rapid promotion within EMI or leave

to run other record companies. Most EMI executives are now graduates, and some have two degrees, including an MBA. They have been recruited through traditional procedures, which still means many women graduates start as secretaries and the men as marketing assistants. Those with music degrees are, as usual, clustered in the classical department

After that it is the old record industry practice of promotion by talent. EMI also has A&R men and women who are graduates. This is where running the union hops, or managing college bands, comes in useful. The college circuit as a profitable touring route for bands may not be as rich and thriving as it was a decade or more ago (discos have seen to that) but, since the record companies are looking for enthusiasm and knowledge from its new employees rather than academic qualifications, experience in booking bands, in planning programmes, and

in handling the money is an undoubted advantage. Alternatively, anyone whose years at college were spent as a social secretary might likes to think of becoming a pop impresario. They should go to the biggest, Harvey Goldsmith, for advice: he gained his first experience

organising college gigs at

Brighton. As the record companies become part of multinational corporations, so they become both more, and less, attractive to graduates. Anyone joining EMI or CBS, for example, can expect a career pattern rather similar to that of a contemporary joining Shell or IBM, and a salary to match. The managers are on the march: the accountants rather than the mavericks deciding

musical policy. There are gains in this record companies were a byword for waste and unreality. It should also help to improve the rather tacky reputation of the industry, and enable it to reach the status of its American counterpart. there a career in the record business carries no doubtful associations. But undoubtedly some of the glamour, some of the razzmatazz, some of the excitement has gone.

**Antony Thorncrof** 

#### Graduate and Postgraduate Opportunities in 1991

In 1991 we will be looking for over 200 graduates and postgraduates for;

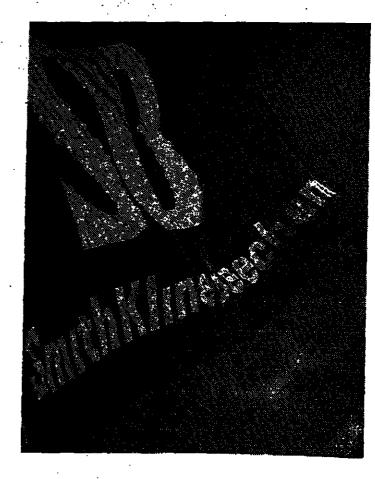
#### **PHARMACEUTICALS**

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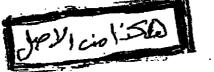
#### **CONSUMER BRANDS**

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RELIGION

#### No quota for people taking orders

A MAN who left secondary modern school at the age of 15 without any educational qualifications will next spring be enthroned as Archbishop of Canterbury and leader of the worldwide Anglican

Communion.
The career of Dr George Carey, the Archbishop elect, is a sobering reminder to all employers of the dangers of judging individuals' potential solely by their schooling. Not only did this relative failure of Britain's education system prove to have the intellectual skills needed to complete his training for ordination, be obtained a Master of Theology degree while working as a London curate and later a PhD.

Dr Carey's example is also a reminder that educational qualifications, more so than with most careers, are not the sole basis for determining the suitability of candidates for the ordained ministry. Personal qualities and individual commitment are of the highest importance, resulting in successful applicants being drawn from a wide variety of backgrounds. They must, however, be capable of coping with a demanding course of study,

and many are graduates. Candidates seeking ordination in the Church of England must begin by applying to a bishop for sponsorship to attend a selection conference. This will usually be the bishop in their home diocese or the one where they have been attending university - a number of students decide to seek ordination while at university, having become active Christians through the work of the university chaplaincies.

Up to 60 selection conferences take place around the country each year. They span three days during which applicants combine interviews, group discussions and written exercises with worship and meditation.

About 60 to 65 per cent of those attending selection conferences are recommended to the bishops for training. Unsuccessful applicants can try again after two years with a bishop's permission. There is no quota on the number of applicants who will be accepted for training and so, unlike selection processes in most other occupations, candidates at selection conferences are assessed entirely on their individual attributes and are not competing with each other.

In recent years neither the Anglican nor Roman Catholic churches has attracted sufficient candidates for ordination to meet their needs. Both churches take the view, however, that they would rather survive the future with fewer priests than lower their selection standards.

The leading Christian denominations are finding the drop in candidates for ordination even greater than the drop in their active membership - there has been a 22 per cent fall in active membership of the main churches since 1970. Other religions have by contrast strengthened their position with the estimated number of active Muslims tripling during the 1970s and 1980s. Five years ago the average

intake at St John's College, near Guildford, Surrey, which trains men from throughout the south of England for the Roman Catholic priesthood, was around 70 a year. It is down to 44 this year and next.

The training of a Catholic priest takes six or seven years and during this long period of preparation up to half of any annual intake drops out about the same rate, points out Father Peter Smith, rector of St John's, as before the Roman Catholic church introduced selection conferences to try to reduce the high level of candidates

withdrawing during training About 200-300 men and 70-80 women a vear are accepted by the Church of England for training. Graduates in theology then spend two years full-time at theological college, those with degrees in other subjects three years.

The training of men for the priesthood and women for the diaconate is similar and takes place in the same colleges. Many women deacons are likely to seek ordination to the priesthood if, as is probable, the Church of England decides to accept women priests.

Britain's relatively small Jewish community needs far fewer young people to meet its future needs. There are at present eight candidates studying at Jews' College, the leading training centre for Orthodox rabbis whose principal, Dr Jonathan Sacks, will shortly become Chief Rabbi. Training takes three years and covers both academic and practical

No-one is likely to enter the full-time religious ministry for material reward. The national minimum stipend in the Church of England is

The cierical profession has lost much of its appeal for today's youth, and churches are struggling to find suitable candidates

£10.500, and even a diocesan bishop does not quite double RETAILING

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acumen, while Sainsbury's

employs engineers to design

energy-saving systems.
This growing sophistication

opportunities, a development at odds with the dull image

of shopkeeping.
"There is nothing to stop

business is changing fast enough to accommodate the

The retailing sector has,

high fliers," says Mike Shaw,

manager of stores recruitment

however, been hit hard by the

people from progressing extremely quickly. Our

at Marks and Spencer.

managers and buyers.

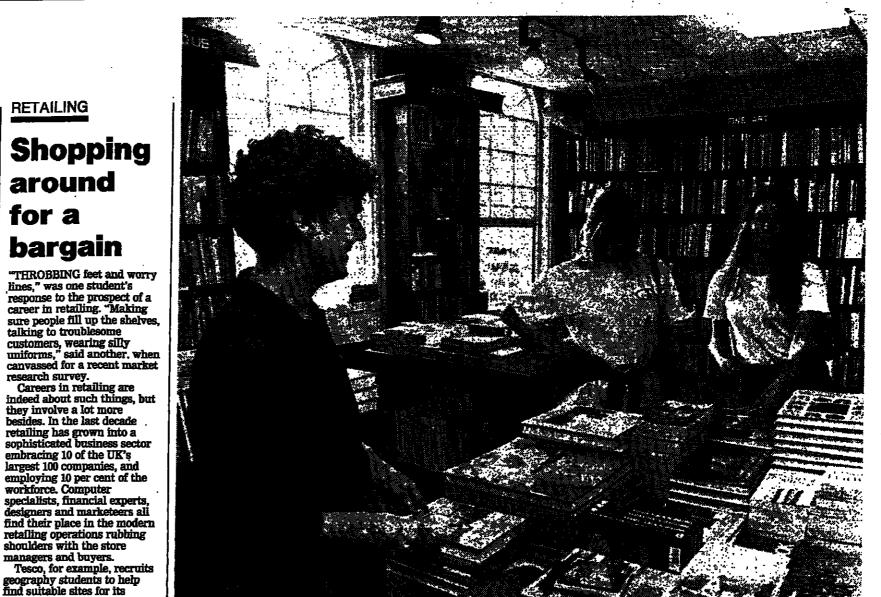
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What qualities are selectors seeking? "Do you believe, so far as you know your own heart, that God has called you?" candidates are asked in the Anglican ordination service and an individual's innermost answer to this question is obviously of fundamental importance. The work will be challenging and rewarding but can also be frustrating, lonely and simply very hard. But on-going training and support for clergy are improving in many

churches. "We are not looking for clones who fit a particular preconceived image of what a priest should be like," says the Rev Martyn Jarratt, senior secretary to the Church of England's Advisory Council for the Church's Ministry which arranges its selection conferences. "There is a place for interesting minorities.

"But people must be prepared to develop throughout their ministry. We are not looking for candidates who will feel they have achieved the one thing they always wanted once they become priests. They must have the flexibility of mind and curiosity to still be thinking and learning after 20 or 30 years in their

Alan Pike



Employees are required to think, breathe and dream books and are on their feet all day

soneeze, designed to curb excessive consumer spending. Many high street stores are struggling with sluggish demand; shops are being shut, workers laid off.

But the familiar household names, particularly in the food retailing sector, seem to be only slightly ruffled by the economic squeeze, and their demand for graduates appears undiminished.

For the majority of the jobs any kind of degree is acceptable and the recruitment net is spread wide. M&S intends to visit 90 educational institutions this year and is looking to recruit about 250 graduates.

Competition can be flerce. Last year, Marks and Spencer had 5,000 applicants, of which only 4 per cent were offered jobs. But the rewards are reasonable. Pay tends to be at or above the national average - £12,000 at M&S but quickly rises thereafter. A senior store manager, a position that can be reached in the early 40s, earns about

Retail management requires people with strong leadership and inter-personal skills who are confident about dealing with customers and employee alike. But perhaps the most important criterion is a good dose of common sense. After an induction

programme, graduates at most retailing companies are introduced into a particular business stream, such as buying, store management or personnel, where they are expected to learn specific jobs. After a year to 18 months they can broaden their careers into other areas or move up to more senior positions. Mr Dominic Mahony, careers

manager at Tesco, stresses that his company promotes according to individual ability.

Tesco pays graduate entrants about £12,000. But Mahony adds: "Some of our very senior people are in their early 30s and that is not an unusual age to be ronning a super store. Such managers can earn between £35,000 and £50,000."

Retailing companies tend to be far less Neanderthal than much of British industry in their attitude to women, who commonly account for more than half companies' graduate

Women are not so well represented higher up the organisations, although this does seem to be changing. Sainsbury's now has five women store managers and 60 deputy managers, and expects this number to grow substantially.

But despite the attractions,

many graduates discover retailing is not the career for them. Their jobs can involve working long, unsociable and exhausting hours, which demand more than they are prepared to give. Much of the work can be repetitive, with little intellectual stimulation.

Many retailing companies also have strong corporate cultures, which can exasperate those who do not fit the mould. Such factors lead to a high turnover of staff, although companies are coy about revealing precise figures.

The highly individualistic may prefer to work for a smaller retailer, which can provide more direct involvement in running the business, although usually offering less training, mobility and money. Oddbins, the wine

merchants, is one example. We are quite a quirky and unusual company and we probably attract people who are looking for that kind of

The company is looking to recruit about 30 graduates this year. Little emphasis is placed on applicants' academic ability "they may even be the type who have dropped out of university" – but they are expected to show a "particular interest in wine and the ability to progress into

Oddbins' starting salaries are lower than those on offer elsewhere, but within six to 12 months a new entrant can aspire to the post of branch manager with a salary of about £15,000.

There is also the attraction of being surrounded by cheap liquor but few succumb to the Further information: The Consortium of Retail Teaching Companies (Cortco) runs a

summer course for students: Cortco, Stanford Hall, Loughborough, Leicestershire LE12 5QR. The CRAC organisation is running an Insight into Retail Management course on July 2-4 1991. Details from your from CRAC, Sheraton House, Castle Park, Cambridge. CB3

John Thornhili PROFILE: Waterstone's

#### Home from home for bookish sorts

AN "emotional affinity" with books may be the last feeling to cross the minds of jubilant graduates emerging from libraries into the sunlight after a year. But it is a quality that managers at Waterstone's, the bookshop, are looking for in

recruits.
"Bookishness,"says Richard
Barker, operations director,
shows up in someone who has a feeling for books and the book world. "The first question we ask people in an interview is what book they are reading - you can tell from their answer whether they are right

for us," he said. The search for bookishness is not an arduous one. Waterstone's has no difficulty in attracting bright people who consider that working in a bookshop is a comfortable way

to earn money. For the company there is a rather more practical side to bookishness: in return for employees' desire to think, breathe and dream books, the company can pay decidedly. low starting salaries — around \$8,000 for a first-year recruit. "It is not like being in

retailing," said Tracy Hargreaves, 24, who works as a book seller at the High Street Kensington branch of Waterstone's. "The product you are dealing with is something that you know about

and that you are interested in." They know that complaining about the levels of pay would not get them far, "When college ended this year there were people pouring into the shop - loads of people want jobs like this," said David Hooper,

26, a ground floor manager. Of the 100-200 recruits the company takes on every year only about 5 per cent will not have a degree. The rest are primarily arts graduates, mostly English; although a few have science degrees. It is up to branch managers to pick the right mix.

While the company does not

policy. Anyone who joins the company has to join as a basic book seller. After that all appointments are made within the company. "We recruit a large number of very talented. highly intelligent people, with high aspirations — if we are to continue to get these people then we have to offer them

opportunities," said Mr Barker. Of four people working at the Kensington Waterstone's, however, only one had even the vaguest intentions of a long-term career with Waterstone's - and he had already been promoted to ground floor manager, the second rung up after joining

as a book seller. as a book sener.
"For most people this job
is a stop gap," said Tracy, who
did a degree in English at
London University and who is leaving shortly to go back to college.
"You have to demonstrate

some sort of commitment," said David, "but you are not expected to say that you are looking for a long-term career.

Staff turnover is high in tailing but somewhat lowe in books. At Waterstone's it is low even for book retailing. A book seller choosing to stay can, according to Mr Barker, expect to become a ground floor manager within 18 months. a department manager within three years, an assistant manager within four years and managing a shop after about five years.

For those that view the job

as a stop gap, the benefits are that they are expected to take on a high degree of responsibility soon after

The first month is supposedly for induction — learning to

use the till, the hibliographical references, and generally finding out where everything is – although one book seller said she had just muddled

along during her first month. After that, book sellers are allocated a section and given a budget. The company demands that core books are stocked and new titles are ordered by the senior management. But the rest is at the discretion of the book seller.

Louise Taylor, 22, who did a degree in English and drama at Middlesex Polytechnic, said this aspect of the job could be quite daunting to begin with.
"I started on science fiction

with not a clue about it - I did not even know which were the best sellers. But you have a core stock which you can use as guidance and you get plenty of assistance from senior staff. Ordering can also be one of the more rewarding aspects. "I like going through stock

lists and getting things that ordinarily we are not told to get and then seeing it actually sell," said Tracy.

The job also requires a certain amount of flexibility.
"It is a very physical job something I don't think a lot of people realise," said David. Other chores include gift wrapping at Christmas, tidying up, organising returns and taking customer orders. Perhaps one last thing

book-lovers ought to remember is that as a book seller you are on your feet all day and are required by the management to observe one golden Waterstone's rule: "No reading behind the till."

**Emma Tucker** 

#### **Local Government Opportunities**

Local Government provides a wide range of services. This means that there is scope to pursue almost any occupation. Public relations, social work, accountancy, engineering, planning, administration, careers advice, architecture, computer programming and leisure management are just a few of the career opportunities.



The Local Government Training Board has produced a series of information leaflets on specific career opportunities as well as on local government generally. If you are interested in finding out more about working for local government contact the LGTB, Amdale House. The Arndale Centre, Luton LU1 2TS. Tel: 0582 451166

#### THE NATIONAL HEALTH SERVICE

The Organisation

the NHS in Wales takes the lead in safeguarding and improving the health of the people of Wales. Its 56,000 staff form part of a complex network of resources which are putting Wales on course to provide a level of health to compare with the best in Europe. Focusing the huge potential of these resources is the task of the manager and the NHS in Wales is committed to recruiting and training graduates who will rise to senior management positions. The Training

The schemes combine 4 elements: - professional qualifications

college based training

management experience coaching by a senior manager

With an extreme support network these elements combine to provide an accelerated entry into NHS management. The Choice

General Management Training Scheme (Wales) - 9 vacancies

A twenty-two month scheme which produces general managers, managers who take decisions affecting lives as well as just money. Trainees study for membership of the Institute of Health Services Management and later for an

Financial Management and Accountancy

Training Scheme - 7 vacancies A three year scheme which unites the skills needed to manage the NHS's sizeable financial resources. Trainees study for membership of the Chartered Institute of Public

Finance and Accountancy.

Personnel Management Development Scheme - 5 vacancies This 2 year scheme provides the NHS in Wales with high calibre specialists in the field of Human Resources.

Trainees study for membership of the Institute of

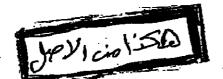
Personnel Management. Hotel Services Management Training Scheme - 3 vacancies Hotel Services unites functions such as catering, portering etc. under one management umbrella. This 20 month

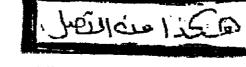
scheme equips trainees in all aspects of Hotel Services

management and includes study for membership of the

Hotel, Catering and Institutional Management Association. Further information is available from:-**Manpower Consultancy Service** 

Weish Health Common Services Authority Heron House. 35/43 Newport Road Cardiff CF2 1SB.







Billy wasn't idol at Sussex University where he obtained a degree in English

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#### **Money for** nothin' and your chicks for fraa?

SO you want to be a rock star? And you? And you? Forget it. Better to concentrate on winning the pools, or discovering the sixth dimension: Take the advice of Clive Black, depity head of A & R (Artist and Recording the creative end of the pop business) at EMI. "You can teach people to set fire to their guitar – but you can't teach them to be Jimi Hendrix," or My girifriend dances around in her underwear but she is not Madonna." He will spin out the cliches and they all mean the same: there is no formula, no way can it be taught, there are no

guarantees. The odds against are enough to deter the most hardened gambler. EMI receives 150 tapes a week from hopefuls and in time, in theory, they are all listened to. But no artist has been signed to the record company by this route in the six years Mr Black has been at EMI. Turning up at the door looking good, sounding persuasive, and with the most foot-tapping tape in your hands will only have you sitting in

reception until eternity. Jonathon King, who has carved a rich career off one juvenile hit of the early 1970s once said: "If you're good, the record companies will find you." It sounds implausible, but in this mad world it is

quite possibly true. There are some obvious truisms. Attitude is more important than ability; determination more than musicianship; charisma more than looks. You stand a better chance of being signed up if von create your own material. If you have the voice of Aretha Franklin, the record company will find the songs but it could take a year or more it much prefers to contemplate the publisher's fees that usually come its way through a new

artist with new songs.

The pop business changes so rapidly that last year's good advice is this year's waste of time. Traditionally you got together with a group of school or college friends, formed a band, played for beer money in pubs, sent a demo tape to your local radio station, and hoped you would get spotted. It was actually no disadvantage to be a graduate. Probably the richest band produced in the UK, Queen, is stuffed full of graduates, a good few with Firsts; The Strangleis frail degrees, Mick Jagger must be the most

secure their university qualifications. Even Iron Maiden is fronted by a BA.

In fact, even without a degree, if you had any talent at all there was a good chance you would get a visit from a couple of A & R men from the big record companies, who relied on teams of scouts stalking the country, following up tips from pub landlords, pop journalists, radio DJs, agents, etc. If there was a buzz about a band it could expect to be visited by competing teams of A & R men frantic to suss out the music before their rivals got there.

This used to be the way the business operated, and it still does – for heavy metal music and other conservative art forms. But for many record industry executives the word "band" is starting to have an old-fashioned ring. The pop charts are dominated by individuals who are more technological whizzkids than musicians, who can create a sound in their garage by mixing tracks, by adding a computerised drum beat, by riffling through the pop music of the past three decades to find a beat and a phrase that touches the feet of the current dance-crazed pop audience. As Mr Black says, "It is now a groove and mix led music." This makes it cheap for the

record companies, especially on the singles side, whose role can be limited to marketing tracks produced by imaginative, anonymous, back-room boys.

Singles lose money, however, they are teasers for CDs, and (for a few more years) albums, and although the record companies have gone along with the whole hip loop, acid house phenomenon, which was largely inspired by the clubs and by independent labels, they are looking forward to the return of the stars, to the next George Michael or Boy George: artists who could write songs, perform them, and sell millions of albums.

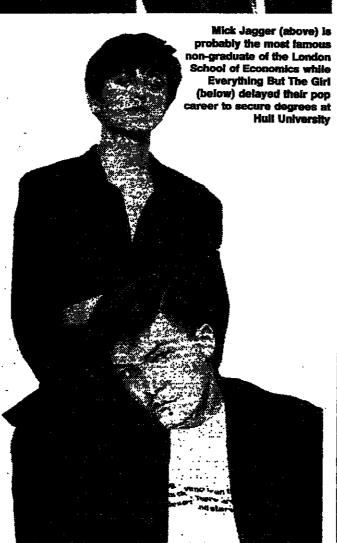
So at the moment it is a good time for boffins; for studio technicians; for creators of sounds. By next year the search will be on for "stars" for singers with fine voices, for songs with meaningful lyrics. The pop market is so vast it can comfortably find room for both types of artist.

But do you really want to be a pop star? Of 10 artists signed up each year to a recording deal, only one or two will survive to have a worthwhile career, which seldom exceeds five years. Who even remembers The Roaring Boys, tipped to rule the world? They have joined Sigue Sigue Sputnik, and all the one-bit wonders, in that great pop graveyard in the sky.

The great majority of signed artists can look forward to a thankless year or so playing seedy venues for peanuts. Your troubles really start when you sign on the dotted line and sell your soul, and usually your musical integrity,

for a packet of illusions, and





SCIENCE SECURITIES SPYING

SCIENCE

#### The cutting edge of new technology

BRITAIN spends about £10.3bn development, and about 90,000 professional people earn their living this way. Most work in multi-disciplinary teams, often in large national laboratories. World-famous British research centres with 1,000 or more (QSRs) on their payrolls include the Royal Aerospace Establishment, Farnborough, the Harwell laboratory of AEA Technology, and the Royal Signals and Radar Establishment, Malvern. All these are notional these are national (government-owned) laboratories.

exciting and best publicised Biology piece).

Research and development (R&D) are really two different occupations. Dr Richard Sykes, who as Glaxo's research director manages an R&D budget exceeding £400m a year, sees them as quite different cultures. a different approach from people who develop drugs."

Which one suits you best you will probably learn as you train. Usually, several times as much money is spent on the development phase of a project, but this is not necessarily reflected in the numbers needed. for development usually includes

however, research and development are often counted together. The latest government figures suggest R&D was employing a total of 14,405 QSEs in the public sector in 1988.89. About 5,000 were employed by the Ministry of Defence, nearly 6,000 by the five research councils (funded by the Department of Education and Science), and nearly 4,000 by such as Energy, Environment, Trade and Industry, and the

has been declining slowly for several years as a proportion of the total budget.

Of the £5bn invested in R&D by manufacturing industry in 1988, electronics accounted for nearly £1.8bn; chemicals for nearly £1.4bn; and aerospace for another £700m. Industry's own funding of R&D has been increasing during the 1980s in real-money terms by about 36 per cent from 1983-88. The government has also been encouraging companies to publish details of their R&D investment in annual reports, in the belief that there is a positive correlation between such a long-term investment

Community through the

a year on scientific research and qualified scientists and engineers

However, some of the most research of recent times is being done in small laboratories set up by new companies, for example inventing new medicines using the latest techniques of biology (see

"People who discover drugs have

building demonstrations and organising trials. For statistical convenience,

Home Office. Government R&D is a

and commercial success. Substantial funds for R&D

are provided by the European

#### Framework Programme. This programme has three mechanisms for supporting scientists - shared-cost projects (providing up to 50 per cent), direct actions (in the EC's own research centres), and concerted actions (involving collaborations between national research

programmes). The current Framework Programme is a five-year affair from 1987-91, in eight different areas of research, adding up to some £3.5bn. The UK is providing about £660m but aims to carry out R&D to a value somewhat higher than this. A new Framework Programme has been approved for the period 1990-94, with a budget of about £4.2bn to cover six broad areas of scientific interest information and industrial and materials technologies, environment, life sciences and technologies, energy, and human capital and mobility.

**European Commission's** 

Further information: Annual Review of Government Funded Research and Development 1990, prepared by the Cabinet Office. HMSO. £23.95.

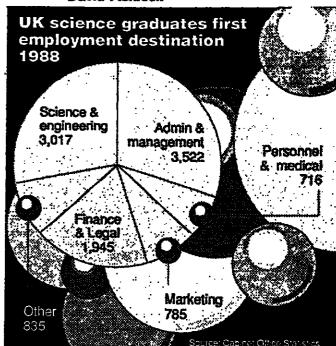
Four years ago Britain begat an experiment -Interdisciplinary Research Centres (IRCs) on various campuses - in organising and managing science. The government was looking for ways to encourage scientists and researchers at universities to be more responsive to industry's

problems. The experiment, although located on academic campuses is run independently of existing science and engineering departments, with its own director and students. This director is expected to lead and inspire a team which starts with an annual budget averaging about Elm, and will take on six post-graduate students a year. Thus, each will have a constant staff of

about 18 people.

An important stimulus to the IRC concept was the discovery in 1986 of high-temperature superconductivity by two IBM scientists who shared a Nobel prize for their research in 1988. They had discovered superconduction in a material quite different from any knows previously, and at temperatures much higher

David Fishlock



#### Small cash rewards in the world of test-tubes

FOR science graduates who feel the academic world is for them - and are willing to resist the pull of Mammon there is always the world of Britain, the cutting edge of this research is encapsulated in a government-sponsored effort to view sciences as integrated disciplines. The old boundaries between

physics, chemistry and biology are no longer valid in tackling such issues as climatic change or the behaviour of new materials. Genetic engineering, for example, one of the most exciting areas of commercial as well as scientific progress, is founded in molecular biology, an interdisciplinary science encompassing physics, chemistry, biology and mathematics.

than were needed before. It opened entirely new opportunities in electro-technology, from miniaturised electronics to power supply. The science was indisputably interdisciplinary, embracing physics, chemistry, geology and other disciplines.

The first IRC was set up at Cambridge University, and In less than three years the research councils have launched 21.

There is still controversy about IRCs in academic circles. Sir William Mitchell, the physicist who pioneered them. is convinced his critics are wrong, misled by academic myths and misunderstandings including notions that such research is "creative" and therefore cannot be managed

In spite of widespread suspicion of IRCs expressed in the common rooms, however, most universities and polytechnics have responded enthusiastically to the calls for ideas for IRCs. So far the dons have made more than 300 proposals.

David Fishlock

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dearly

#### Chemistry: a formula angu he o for job Mr Succes **Success**

EUROPE is a world centre for the industries based on chemistry — chemicals and pharmaceuticals. It is still far ahead of Japan and on a par with the US. That is quite a contrast with the industries based on physics and electronics, where European manufacturers have on the whole been left well behind their North American and Far Eastern competitors.

Chemists who want to use their skills in industry have a chance to join UK-based companies such as ICI and BP Chemicals, Glaxo and Wellcome, which really are among the most innovative and successful in the world.

Even so, chemical and pharmaceutical companies are finding it increasingly difficult to recruit good chemists. The supply of chemistry graduates from UK universities and polytechnics has remained fairly constant (at about 2,500 a year) over the past decade, while the proportion going into industry has fallen steadily. More and more are making no direct use of their chemistry, particularly in financial services and

The statistics suggest that only about 40 per cent of chemists who enter employment after gaining a first degree this year will take a job in which their chemical knowledge is directly applicable (for example in research and development or analysis). Another 10 per cent will work in a field such as computing, in which a broad scientific background is an advantage. The remaining half will do something that is not related at all to science.

The growing reluctance of chemistry graduates to stick with the subject is causing an increasingly serious shortage of industrial and research chemists. Anyone who has the ability and inclination to pursue a career in chemistry can therefore expect to be wooed by several employers.

A typical starting salary this year for someone with a good honours degree in chemistry would be around £13,000 for a laboratory-based job with a large company. An outstanding new PhD might be offered as much as £18,000 to start research with a large drug company (the pharmaceutical industry is particularly short of top

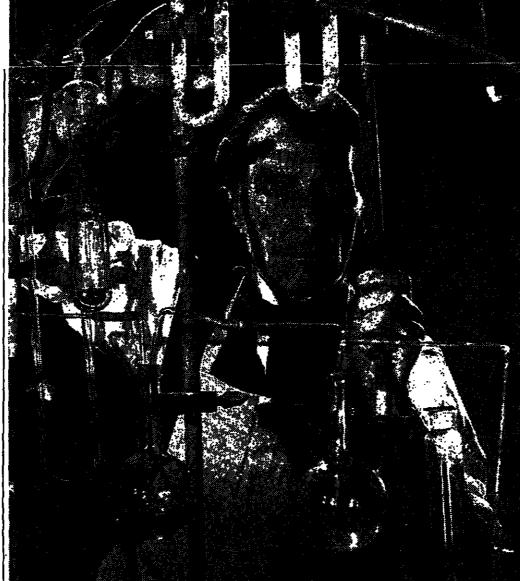
quality researchers). During the industrial recession at the beginning of the 1980s, some large chemical employers cut back drastically on their recruitment. That is not likely to happen again, says Mr David Culpin, business development director of the Chemical Industries Association (CIA). "A lot of responsible companies believe now they damaged themselves and their relationships with the universities" by reducing their recruitment 10 years ago.

Although the chemical industry is now entering a cyclical downturn, there is no sign of any general reduction in demand for graduates. Early results from the CIA's 1990 recruitment survey suggest employers want to hire as many graduates this year as they did in 1989.

ICI, the largest UK employer of chemists, plans to recruit about 15 per cent fewer graduates in 1990 and 1991 than it did in 1988 and 1989. But Mr John Simpson, graduate recruitment manager insists this should not be seen as a cutback but as a return to a normal sustainable level after two exceptional years during which ICI made up for its under-recruitment in the early 1980s. "All the senior managers are putting out the message that we should do our best to maintain recruitment during any

downturn," he says. Many people associate the chemical industry with large companies, but Mr Culpin says students should remember there are also many innovative small companies. "Small companies with a highly qualified workforce sometimes as few as five or six people - doing R & D and manufacturing intermediates [for the large companies] are a dynamic part of the

industry. Starting a career with a small or even medium-sized chemical company will be a



You don't have to be a crazed scientist to make your career in chemistry

matter of answering an advertisement in a journal such as New Scientist or Chemistry in Britain, or hearing about a vacancy from someone in your chemistry department (many small companies have close links with university chemists).

"We can't afford to go through the university milk round or recruit graduates in a systematic way," says Mr John Morgan, chief executive of Porvair, a specialist plastics company with 200 employees. "We tend to pick up people in their mid-20s after they have become disillusioned with large companies."

Although a career with one of the chemical giants can offer attractions not open to someone working for a small company - such as working abroad in its international

operations - a job with all-round responsibilities is likely to come sooner with one of the smaller companies. Any graduate wondering whether to start a career in a job involving practical chemistry should remember it is almost impossible to go back to the laboratory after having done something else for more than two or three years. The science

will have left you behind. On the other hand, the chemist with several years of laboratory experience who wants to move away from the test-tubes will be welcome in other fields. As the Royal Society of Chemistry points out, chemists seem to fill jobs in scientific management and administration more than other scientists, "possibly because the study of chemistry develops numeracy and logical

health officer in Norwich, "You need to be assertive, and must always be decisive if there is a danger to the public," she

says.
"Pretty well everything one does nowadays requires a graduate," says Dr Brian Richards, chairman and co-founder of British Bio-technology, a biotechnology research company set up in 1986. But

so widely discussed are the company's goals in inventing new medicines, he estimates he receives about 50 job applications a month - the main source of recruits. "So often personnel

management is pushed into a backroom," says Peter Nicholls, personnel manager of Celltech, another biotechnology research company started in Slough in 1980 to develop and exploit British ideas and inventions in genetic engineering. "Here it is very much part of the company." He joined Celltech when it was about 250-strong and has helped double its size in less than three years.

At recruitment fairs graduates are not asking about salaries - they simply assume these will be competitive with other companies. They ask about the opportunities for further training and development. "We aim that about 85 per cent of our staff will have some formal training during the year," Mr Nicholls says. This can mean anything from learning another

language at the company's expense, to reading for a PhD. One of the young stars is Stephen Panton, 23, who joined Celltech in 1987 with honours in biotechnology from Leicester Polytechnic, starting work with a small team taking a new genetically-engineered drug from the laboratory into

commercial manufacture. There were eight of us then in a company with about 250 people. Two years later we're a team of 50 and the drug is in full-scale production. My salary has increased by nearly one-third." For Panton "it's

fast-moving, quite exciting – a very challenging environment. And I'm using the knowledge people went to a lot of trouble to teach me. Further information: \* Careers with biology, published for the Institute of Biology, 20 Queensberry Place, London SW7 2DZ, £2.60.

**David Fishlock** 

wo 66 from 66 from 15 fr

measuring blood flow in patients on kidney dialysis. The basic requirement to enter this field would be a degree in a physical science but Dr Williams says it is now

common for medical physicists to take an MSc, or to start with a PhD "because research and development are substantial parts of many medical physics jobs".
In-service training will take
a new entrant about four years. The training scheme used by

medical physics departments is that of the Institute of Physical Sciences in Medicine. It takes graduates with firstor second-class honours degrees in physical sciences or mechanical or electrical engineering. The initial two years is roughly equivalent to an MSc degree, and is followed by two years of research. The student is supervised

by his department and externally. Starting salary is £10,000 to £11,000, rising to about £14,000 during the last year of the course. These salaries are determined nationally for National Health Service hospitals but may be higher for the few post-graduates with hospital experience in industrial

companies. The institute's booklet Working in Physics\* offers many case studies of this kind A survey in 1986 suggested that 30-40 per cent of British physics graduates work in research and development for industry, and another 25 per cent have non-technical jobs in finance commerce or management. About 15 per cent are in public service, and about 10 per cent

in medical physics. A more recent survey of renumeration for its 11.263 members, in January this year, suggests (on the basis of a 52 per cent response) that median salaries rise from about £12,500 a year in the mid-20s to upwards of £25,000 by the midto late-90s.

The best-paying sectors for physicists are the nationalised industries and AEA Technology (UK Atomic Energy Authority), with central government paying £2,000-£3,000 less on average, and local government less still.

Women students should be warned that in each age group women receive lower median salaries than men and the difference increases significantly with age.
The Institute of Physics has

been making such salary

SECURITIES

#### Choose your market well

THERE are two rival views of the UK's securities industry. One is that the generally low level of activity in the markets since the 1987 stock market crash has greatly reduced the opportunities for graduates,

along with all other employees The graduate recruitment figures seem to bear this out. Shearson Lehman: a 18 investment bank took on a dozen graduates in London last year: this year it is looking to recruit only one. It blames market conditions.

Others have seen a similar. though less pronounced, fall in their need for new graduates. SG Wartung, the British investment bank which is one of the largest City employers of graduates, took on 30 in 1987. That slipped to 14 in 1989, before climbing back to 24 this year, Nomura, Japan's (and the world's) largest securities company also recruited 30 in 1987. This fell to a dozen by last year, but has risen to 15. These figures include graduates taken into banking (in the case of Warburg) and corporate finance (Nomura), although the majority of recruits in both cases find themselves in

securities-related jobs. The figures reinforce the belief that the securities industry (embracing all forms of researching, trailing and broking of shares bonds and other securities) offers far fewer opportunities than during the confident days of

the mid-1980s. The alternative view of the securities business is that while some markets may be flagging, new ones are opening up all the time, creating continual opportunities.

For instance, UK equities or Eurobonds may not appear as exciting as they once did, and Japanese equity warrants (last year's hig profit corner) may have taken a tumble due to the alide in the Tokyo stock market this year. But other markets have grown strongly: continental European equities have become a staple earner for London houses, along with derivatives such as futures

and options. This view seems to be borne out by employment figures for the industry as a whole. Early in 1987 — generally reckoned to have been the high point for the industry, when stock markets were still rising strongly and London had just been through the deregulation of Big Bang - the companies which belonged to London's International Stock Exchange

employed 20,000 people. By the end of 1989 this had risen to 24,400, despite unsettled markets and a spate of lay-offs and closures.

The lesson from this: there is still growth in the industry, provided you pick the right market. Pick the wrong market, and your job could evaporate overnight. The problem is that nobody can tell you with any certainty what will be in or out this time next year.

Graduates generally get little choice in where they end up. While the investment houses like to say that graduates can choose where they work, the reality is that the jobs on offer to them depend on the state of the markets at a given

Employment levels are not the only indicator of prospects in the industry. The erratic profitability of securities companies provides a surer guide. Firms which belong to the International Stock Exchange lost £265m between them in 1988, but made combined profits of £503m in 1989 (still meagre, given the

scale of the business). The earnings as well as the jobs of their employees hang on these wildly fluctuating figures. Bonuses are partly profit-linked and so can vary greatly year by year. In 1989, for instance, bonuses accounted for 23 per cent of the average employee's pay, compared with 13 per cent the

year before. Companies stress, though, that bonuses are discretionary. they do all they can to make sure their best people are amply rewarded, whatever the profitability of the company as a whole, to prevent them becoming disfilusioned and moving elsewhere. Graduates generally fall outside the scope of bonus schemes during the typical two-year training

period they undergo.

As the business of securities firms in London has changed, so their demand for graduates has changed. Most notably, the growing importance of international and cross-box business, rather than pe domestic business, means to are looking for more internationally-minded



in their class. of technology still further.

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#### scientists "EVOLUTION started with a prime-evil soup," runs one of a collection of 1989 biological the Institute of Biology recently. Others showed evidence of literary as well as technical inadequacy, among them references to "riga mortis" and "slit rists". The institute's 15.500

thought and encourages

organisational skills".

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London W1V 0BN. Chemistry

published by the RSC at the

same address; Chemical Industries Association, Kings

The world's

an oyster for

biological

**Clive Cookson** 

membership is strong on biology teachers, and it has begun an affiliation scheme which gives more than 200 schools access to such publications as The Biologist and the Journal of Biological Education. The institute has also revised Careers with Biology, its guide for school-leavers, first published in 1981. The latest edition by John Thurman, careers adviser to the University of East Anglia, sets out to answer such questions as: What use is biology? and What can biology lead to?\*

The evidence collected by Mr Thurman on the 4.526 biology students who graduated in Britain in 1987 shows that biology can lead to a remarkable diversity of careers. One-quarter went initially into research, development or design, and another 13.2 per cent into scientific support services. But 11 per cent went into sales marketing and buying; 16.6 per cent into financial work; and 5.7 per cent into health

and social welfare. Of the 917 polytechnic graduates the same year, 27 per cent went into R&D or design, and nearly a third into scientific support services. In long-term research work,

the booklet advises, a typical project might be carried out by a team of about six. frequently led by a PhD, with two or three other graduates having good degrees, and one or two experimental assistants or technicians. Large research establishments - in the pharmaceutical industry, for example - may have 26 or 30 such research teams.

All research, whether in a university, institute or industrial laboratory, tends to involve several years of painstaking experimental work before a conclusion can be "The enjoyment comes from a liking for the practical side

of experimental work and from the exhibitration of discovery," says John Thurman. "Scientists can be fun people" to work with, too". His case studies soan many biology-related jobs, such as that of June Rhodes, who, with

a degree in genetics, is a medical sales representative for Lederle Laboratories, typically travelling 150 miles a day to see GPs, pharmacists and hospital staff. Another example is Janice Rees, whose

Technology snaps up all the physicists

"PHYSICISTS spend their working hours in observatories on sun-baked mountain tops, in hospitals and universities, huddled in tents on windswept glaciers . . . " Thus begins a booklet\* from the Institute of Physics, outlining the professional opportunities which are increasing as the world grows more dependent on technology.

Take the use of physics in

medicine, for example, where it extends from monitoring body temperature to making a body-scan. The medical physics department of the Sunderland District Hospital was started by Dr David Williams nine years ago. He began with two assistants and has built it into a team of 18, which includes five more medical physicists like himself, and six medical physics technicians.

The scope of its work has broadened to embrace an understanding of nuclear medicine, X-rays, ultrasonics, lasers, and technical aids for the handicapped. By the accurate calibration of equipment, it is concerned with the safety of patients and staff so that the patients receive the right doses It also helps develop new

surveys at intervals, and for the past few years has tracked the career progress of a fictional physicist called Dr Quantum, and his son. Dr Quantum is now 66 and has progress from membership at 24 to becoming a fellow of the institute at 40. His son is a member, aged 30. Dr Quantum earns £32,480 this year – in the upper

quartile for physicists surveyed His son, still awaiting his first career promotion, earns £16.670. When salaries are adjusted for inflation, the son has been earning more in real-money terms than his father since

The main academic route into physics is a university or polytechnic degree course, which often includes the option of a speciality such as electronics or computing, and can lead on to a postgraduate course. However, there are more

vocational courses such as

those of the Business and

equivalent Scotvec. These

Technician Educational Council, and its Scottish

courses have a strong technical and applied emphasis and some can lead to a degree. Further informa \* Working in Physics (£1.95, publ Institute of Physics) from Careers and Occupational Information Centre, Sales Department, Sheffield St 4PO: Physics World, Volume 3, No 6, June 1990 pp 48-51; Physics on Course: physics courses in higher and further education, 1990-91 (pub) Institute of Physics, 47 Belgrave Square,

London SW1X 80X).

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Continued from previous page investment house, says that of its intake of 15 this year, seven are not UK nationals. Similarly, of Warburg's 24 graduate recruits this year, 11 are non-UK

The academic disciplines of recruits varies, although some companies note a shift towards a scientific and mathematical training.

Once employed, most graduates will find themselves going through an initial training which lasts from six weeks (Warburg) to three months (BZW). Foreign houses like to give their new recruits a taste of life at head office: with Nomura that means four weeks in Tokyo, with Merrill Lynch, six to eight weeks in

New York. This is followed by a job in the front line. The quality and extent of on the job training depends on the person running the department where the

graduate has been placed. Most graduates at this stage express an interest in fund management, corporate finance or research, but the majority end up in sales, where maintaining links with and obtaining buy and sell orders from big institutional

investors. Most big houses this year are offering £17,000 to £17,509 as a starting salary, though US companies generally live up to their reputation of paying more, with salary plus perks (such as a subsidised A £1,000 "signing-on fee" is also becoming increasingly

common. After the first two years, salaries rise fast: sales staff who are any good will soon find their salaries rising to a base of £30,000 to £35,000. Further information: International Stock Exchange, Public Information Office, Old Broad Street, EC2N 1HP; British Merchant Banking and Securities Houses Association, 6 Fredericks Place, London EC2; The Ivanhoe Guide to the Banking and Securities Industry (1991 edition due out early October), for distribution details contact publishers Ivanhoe Press, Kings Meadow, Ferry Hinksey Road, Oxford, OX2 ODP (£6.95).

**Richard Waters** 

#### Success is being top at all times

"TT'S nice being at the top, and it's even better finding your rivals at the bottom," said one City fund manager when asked to describe his idea of job satisfaction.

As a fund manager, your job is to select shares, bonds, properties or private start-up companies for investment with the idea of making the greatest possible profit. Of course, you are investing someone else's money, such as a workers' pension fund or the inheritance for a charitable

trust. Fund management is not like playing with Monopoly money – there are real lives behind the money you invest and the work is serious.

You may not need a background in economics, but if you are to succeed, you must be numerate. And remember, most fund managers share a fascination for companies and the factors which influence their share price, so if the idea of trying to pick undervalued companies does not appeal,

this job is probably not for you. The main employers of fund managers are insurance and pension companies, unit trust and investment trust groups and investment management groups. The latter look after portfolios on behalf of institutional and private

Furthermore, fund

are the key to attracting new clients), a pension fund or a private portfolio, somebody will be watching your performance. And for a fund manager, nothing could be more humiliating than lagging

the field and underperforming any of the key stock or bond performance indices which measure performance. If your fund performs poorly, you could well be "invited" to accept move into a less conspicuous job at the company - or to move

is simple: you make your financial gains by buying shares in companies which you consider to be once they have risen in price. In practice, of course, this involves considerable skill to buy or sell or simply hold

recruitment and training policies. In many cases concerned about your degree subject, although some prefer graduates with an economic background. Some companies recruit straight from university while others prefer to select graduates who have already spent a year or so in the City. International firms are active in UK fund management alongside the major British firms - possibly

is predominantly more than its fair share of employers. Edinburgh is home to such well-respected firms as Standard Life, Edinburgh Fund Managers, Scottish Equitable and Scottish Widows. Glasgow is home to such as Scottish Mutual and Scottish Amicable.

offices, you may be struck by the fact that comparatively few women and ethnic minorities work in this field. The position is slowly changing - one personnel manager says fund management "used to attract the languid public school types ... now we have a much wider variety of people applying, many of them with academic backgrounds".

management groups such as Abtrust, whose Far East was the top performing fund in 1988 and 1989. One of We look at graduates but days. We prefer people who have had a little experience in the City." At a company such as Abtrust, you will be and expected to learn at his

knee. As a result you could find you are given more responsibility than in one of

houses which run formal

If you are not sure that you

training programmes.

want to go into fund

management, a banking

conglomerate offers more

broad-based training. For

example, Barclays de Zoete

Wedd, the investment and

three-month training course

accounting, company law and

making presentations. Over

21 months, they are attached

markets, corporate finance,

Meanwhile, many big

recruitment programmes.

companies eschew graduate

Some, like Legal & General,

which manages some £15bn

graduates are a fickle bunch,

only too happy to leave for

cheque. "Our experience was

that you train 'em and lose

'em," said a spokesman. "It

was a complete waste of our

It is still true to say that

with a track record in fund

management, you can move

between £14,000 and £20,000,

your salary will rise rapidly.

A fund manager in his or her mid-20s could be earning

around £30,000-£40,000 plus

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SPYING

cold

**Spooks** 

get the

shoulder

MORE than ever before

of waging moral – and

The previously menacing

liking. Rather than risk life and

limb unearthing the KGB's

secrets they can now glean them from press conferences.

Soviets even handed over

During the Gulf crisis, the

details of Scud missiles, used

by the Iraqis, to the Pentagon

The outbreak of peace is

simply not good news for

Britain's spooks.

Britain's spies are feeling left out in the cold. After years

immoral - war against the "evil empire" they have now

discovered that they have been

left without an obvious enemy.

Russian bear has become just a bit too cuddly for their

When it comes to pay, you

and if your fund performs well,

fairly easily between

will probably start off at

another firm and a bigger pay

in funds, have decided that

to departments such as equity

banking, or fund management.

before deciding on a speciality.

covering such subjects as

Graduates are given a

broking arm of Barclays Bank,

recruits 20-25 graduates a year.

elsewhere. In theory, fund management undervalued, and selling them deciding when is the right time

tight. Companies differ in their employers are not particularly

an advantage for those who would like to work abroad. Although fund management

If you walk round a few

One or two graduates a year are recruited by smaller fund Emerging Economies unit trust Abtrust's fund managers says: sometimes you find they want to run the business after three placed next to a fund manager

into question. Or is it? Although Britain may not

have permanent friends or enemies it does have permanent interests, and those interests include unearthing information about foreign countries that they would rather keep secret.

Peter Wright revealed in his controversial book Spycatcher, that MI5 was just as busy in the 1960s bugging the French
- "reading the Frog's traffic"

as it was eavesdropping on

"For three years, between 1960 and 1963, MI5 and GCHQ read the French high-grade cipher coming in and out of the French Embassy in

London . . . The intelligence was avidly devoured by the Foreign Office, and verbatim copies of De Gaulle's cables were regularly passed to the Foreign Secretary in his red box," Mr Wright says.

Almost certainly the need for intelligence on our European Community partners will continue.

One can easily imagine the fervent efforts that must now be taking place to determine German aims and ambitions in the wake of re-unification. Other areas of the world are also likely to command greater

attention in worried Whitehall

offices. The Gulf crisis will have concentrated minds on Britain's intelligence network in the Middle East and the continuing ulcer of terrorism in Ulster will continue to demand effort and resources.

But although the need for espionage may not have diminished it appears its appeal certainly has. By all accounts - infrequent and unreliable though they are the UK's intelligence services are suffering from a

recruitment crisis. Britain's graduates, it seems are simply too ideologically pure or perhaps too cynical to contemplate a career in "other unadvertised positions in the civil service'

It has to be said that neither MI5 nor MI6 have been particularly good at marketing themselves. Careers services do not stock many of their glossy brochures nor are the intelligence services prominent at careers fairs. The fact that they do not officially exist obviously poses a peculiar set

of problems. But for those who may seriously be interested in a career in the intelligence services there are perhaps interest known. One way is to approach your careers service and ask them about the possibility. Some careers advisers are briefed to steer suitable candidates in the right direction.

If that does not work then apply to the civil service like any other graduate and hope your particular skills are noticed. Spies are also recruited by way of national press advertising although it is difficult to spot the specific

advertisements.
Austin Knight, however, seems to be a favourite recruiter and has run advertisements in the past asking for candidates for various unspecified "challenging and demanding" positions. Others are reported to have joined the service via

the police or army. Of the two branches of Britain's intelligence services, MI6 tends to think of itself as the senior service. It certainly has more glamour about it as its officers trip around the world masquerading as

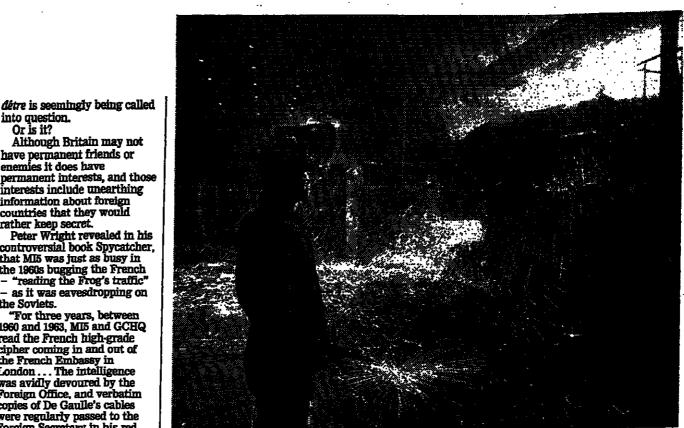
diplomats. MI5 spends its time nullifying the efforts of foreign spies, keeping an eye on terrorist activities and countering the unsociable work of internal subversives, which in the past have included MPs, ministers and

But a career as a spy undoubtedly has its disadvantages. Apart from the moral dimension, it must be peculiarly frustrating not being able to tell anyone about what you do. Although other careers such as merchant banking also involve a high

degree of secrecy.

Malcolm Muggeridge, a former member of British intelligence, summed it up: "Secrecy is as essential to intelligence as vestments to a Mass, or darkness to a spiritualist séance, and must at all costs be maintained. quite irrespective of whether

or not it serves any purpose." But despite their appalling tradition of treachery and their absurdly secretive stance, Britain's intelligence services appear to have a good reputation, at least where it counts. In a recent interview with a British newspaper, a former head of the KGB, Vladimir Semichastny, hailed the British security service as "the cleverest in the world". Further information: Christopher Andrew's book Secret Service is a comprehensive and amusing chronicle of Britain's



Few areas of British manufacturing are as robust as the steel industry

#### On a fast track to running the mill

**BRITISH STEEL dominates** graduate recruitment in the industry: this year it will recruit about 330. Among the smaller specialist steel-makers. steel-processors and distributors, recruitment is often ad hoc. The planned training programmes awaiting recruits at British Steel (BS)

are matched by few other employers in the industry. A career with BS will not be an endless round of dirty, smelly blast furnaces. In the past few years, BS has changed considerably as a business, and consequently its recruitment needs have

changed as well. First, it has invested in new technology to modernise production facilities, so its demand for computer and electronics specialists has risen. Second, it has become a more commercial, marketdriven company. It has required a determined effort

to overhaul its former domination by middle managers whose main focus was on making steel. Now the focus is on making steel w<u>hi</u>ch can be sold, so the company expects its graduate recruits to be interested in the commercial aspects of the business as well as the

engineering.
Finally, this commercialism does not just mean there is more stress on skills such as marketing and distribution; it infects production and product development as well. in research and development, therefore, there is more stress on developing products which are tailored to the needs of large customers such as the car companies.

Two-thirds of the graduates BS recruits each year are in engineering and technical areas. This year it plans to recruit about 40 mechanical engineers, 30 electrical engineers, 60 research engineers and about 80 in other areas such as metallurgy, materials and production technologies

They will be trained to become chartered engineers, with attachments lasting about six months to different parts of the organisation, such as personnel, finance and marketing. After about 18 months, the recruits will be given their first line

management responsibility and move on to become assistant engineers. They typically become section engineers responsible for a part of a plant after another three years.

The company expects graduates, recruited on salaries in a range of £11,000 to £11,500, to become managers by the time they reach 35. On the fastest track a graduate recruit could become the plant engineer for a rolling mill within five years. The works director at its Shotton works,

for example, is only 38. They will have considerable responsibility for scores of workers and lots of expensive capital equipment. Mr Clark says the company is looking for graduates with a good second-class degree, but it takes some with lower

degrees, depending on their personal qualities and attitudes towards the industry. The other third of the 330 required are graduates with general degrees, who will move towards more general management training in areas such as finance, computer and

marketing. BS is becoming increasingly international in its ambitions. It recently made two acquisitions in continental Europe and plans to move into the United States. This means

management services and

more emphasis is being placed on language skills: all its big plants have language laboratories. Mr Clark does not expect the company will recruit many continental graduates to fill the gaps.

It seems a graduate recruit's career at BS is not without its drawbacks. Half leave within five years. Much of the turnover is due to familiar problems: recruits find they have chosen the wrong company, or the company finds it has made some mistaken recruitment decisions. A lot of people join to get a general training in industrial management, with no intention of making a career with BS.

Pay may also be an issue. As a plant engineer, a graduate will earn about £16,500, although shift payments and bonuses could add up to 30 per cent. There may also be a problem in meeting the aspirations of high-flying graduates within the organisation. Mr Clark says: "There is always the dilemma

of the speed with which you give people responsibility in a capital intensive industry, where lives could be at stake with a mistake." Executives admit that in

the past graduates have left because they were frustrated with the management culture.

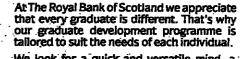
The company is changing. however. The last cadre of non-graduate middle managers brought up within the old parochial culture are nearing the end of their tenure. They are being replaced by younger graduates, some of them promoted through the fast-track management development scheme introduced by Sir Robert Scholey, the company's chairman.

However, one reason for the higher turnover the company experienced in the early 1980s has gone. Then plant closures and redundancies led to direct job losses and uncertainty

which caused people to leave. Since then BS has been transformed into not just one of the best steel companies in Europe but into one of the most profitable in the world. There are few parts of British nanufacturing not related to defence which are as robust.

**Charles Leadbeater** 

#### GRADUATES



We look for a quick and versatile mind, a strong personality and the ability to manage change. Other than that, we have no proto-type, believing that, by bringing differing skills and characteristics to the bank, you will add to its strength, drive and unique

During your initial 18 months' training you will gain an overview of our business, by working in branches of differing size and customer base. You will then spend time working in central areas, such as Marketing international, Personnel, Advances, Audit or the Legal Department. While you are training you will also be studying for your pro-fessional banking qualifications. With a combination of academic knowledge and practical experience, you should be ready for promotion to Assistant Manager at the end of your development period.

#### Your Career Will Be Just

Our plans to open new branches and expand in other areas of our business, mean we can offer you a choice of career routes and a continuing flow of opportunities. You can look forward to an excellent salary, profit sharing scheme, free banking interest on your current account and a variety of sports and social activities.

If you think you can keep pace with the speed of our development, and you're determined to reach the top, then, we'd like to meet you. We will be visiting many universities and polytechnics on the milkround. In the meantime, please write to one of the following people, for more information quoting reference number MFT 401.

Sue Moss, Personnel Department, The Royal Bank of Scotland plc, Regent's House, 42 Islington High Street, London N1 8XL

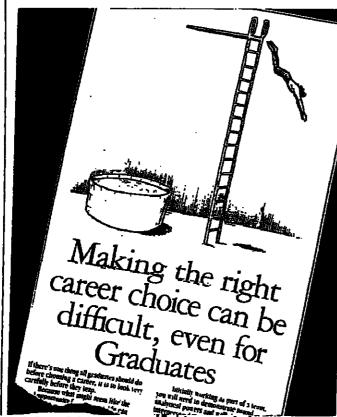
Peter Philp, Personnel Department, The Royal Bank of Scotland pic, 42 St. Andrew Square, Edinburgh EH2 2YE.

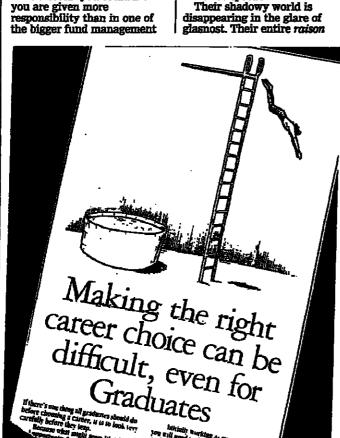
Mike Hurleston. Personnel Department. The Royal Bank of Scotland pic, 45 Mosley Street, Manchester M60 2BE. Committed to Equal Opportunities.



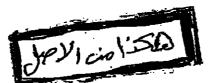
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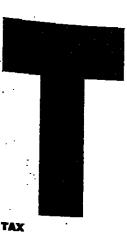
WHERE GRADUATES MATTER











TAX TEACHING **TELECOMMUNICATIONS** TEXTILES TRANSPORT

#### You could be poacher or keeper

POACHER or gamekeeper? The student interested in the complex world of tax can have a choice of either.

The would-be gamekeeper joins the Inland Revenue's three-year training programme, after which he or she becomes a fully-fledged tax inspector; the poacher joins an accountancy firm and becomes skilled in the art of tax avoidance.

The Inland Revenue rakes in more than £57bn a year from individual and corporate tax-payers; it has an annual budget of £1bn and a staff of 65,000 spread around a network of more than 600 tax offices across the UK.

This huge organisation is interested in employing graduates with first- or second-class degrees, from a wide variety of academic and social backgrounds, up to the age of 52.

The image of the tax-person may be bad, but the human qualities sought by the Revenue in its potential employees seem anything but dull. The Revenue says that the ideal tax inspector will have to be a combination of accountant, lawyer, investigator, negotiator,

advocate and manager. Accountancy skills are required to parry the arguments put forward by professional poachers; it helps to have a legal mind when thumbing through the Taxation Act; scepticism and curiosity are required when scrutinising taxpayers' annual returns, especially when trying to reconcile the lifestyle to the

figures.

The bulk of tax affairs is settled by correspondence and personal interviews, hence the requirement for negotiation skills; advocacy comes in handy for those cases which cannot be settled other than in front of an independent tribunal

Training in the early years is well structured, requiring a mix of study (for internal exams) and practical work.

the Revenue, you can expect to be earning some £25,000 if you live in London: again, not that different from the sort of salary earned (after three to four years, that is) by

accountants. The big accountancy firms recruit people directly from university into their tax departments; these people can opt either to train as chartered accountants or to take the Institute of Taxation exams which are much more specialised.

For many, working in tax is just a different way of spending the three years it takes to become a chartered accountant. One acquires tax skills but at the same time earns the highly-prized professional qualification. Some auditing has to be done but this would be limited to perhaps a total of six months in the three-year

training contract. If you have not made a decision about what you want to do in the long term - and therefore take the ACA while in the tax department - there is no reason to fear that the specialisation will restrict your chances of getting a job outside the profession after you have qualified.

It is easy to argue that you have had direct commercial experience, which perhaps auditors have not.

The tax avoidance industry has grown very rapidly throughout the 1980s, reflecting the growth in legislation, the increase in the amount of corporate activity, and aggressive marketing by the big accountancy firms.

A career in tax will be intellectually and commercially challenging and remunerative, given the amount of money your expertise will save for your corporate clients. Early specialisation is the norm, though, and after a few years you could find yourself an expert in some arcane area of VAT law.

You could not lose by starting off as a gamekeeper, though - there is plenty of precedent for becoming a poacher later on. Forther information: The large accountancy firms: Inland Revenue, c/o the Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB; Institute of Taxation, 12, Upper Belgrave Street, London SW1 X8BB.

**David Waller** 



Some of the romance may have gone the way of academic gowns, but demand is higher than ever

Soon after joining, you will start to take responsibility for simple tax cases, but as time goes on the complexity of the

workload will increase. As in the mainstream civil service, there is a well-defined career path open to the graduate recruit, which will lead reasonably swiftly to higher positions. At each level in the hierarchy, there will be opportunities to do different jobs, from investigating fraud to solving the problems posed by the arcane details of the

latest Double Taxation treaty. It is a busy job, requiring plenty of common sense and "people skills" as well as a grasp of tax technicalities; in the early years at least there is rapid promotion and a camaraderie rarely found in the private sector.

During the 1980s, many thousands of senior tax inspectors left the Revenue to take jobs in the ever-expanding accountancy firms, or setting up on their own to provide avoidance advice. They left less because of poor morale than because of money: the offers coming from the private sector were simply irresistible when compared to the civil-service salaries on offer in the Revenue.

It remains true that over time, the tax specialist affiliated to the accountancy profession will make more money than even the most senior tax inspector. However. recruits to the Revenue are well naid: under 26, working in London, you will not get less than £12,290, or £10,135 in the provinces. These salaries compare well with those offered to recruits into mainstream accountancy jobs, although those who chose to specialise in tax.from.the\_\_\_\_

**TEACHING** 

#### **Alarm in** board and chalkdust circles

YOU'VE seen the television commercials. "Teaching brings out the best in people," the ads confidently announce. In the background, eager children struggle to grasp critical facts in well-furnished classrooms.

The campaign was commissioned by the Department of Education and Science which is alarmed at the growing number of teacher vacancies which threatens its efforts to revamp the nation's

education system. The ads do portray accurately one side of the story. Teachers say the job really can bring out the best in people. Helping children learn can be a truly rewarding experience, far more so than developing a data base for a financial service company or selling life insurance.

Also, those entering teaching now will be on the cutting edge of the government's efforts to introduce a National Curriculum.

in most parts of the country, schools are short of teachers. A recent survey conducted by the Department of Education and Science found that there were nearly 6,500 vacant teaching posts in state-maintained schools during the 1989/90 academic vear, a 50 per cent rise over the year before. And even that, teachers' unions say, is understated The nation's

estimates that the number is probably double that. The DES survey, they note, does not count as vacancies the posts filled by temporary teachers or by teachers not qualified to teach that particular subject.

Although the official government line is that teacher shortages reflect intense competition for graduates from other industries, there is little doubt that the low salaries discourage recruits. Starting salaries this academic year are £9,342, but a graduate with a second-class degree can earn £10,047. However, the difficulties really begin after a few years. Top salaries are £15,723, rising to £16,002 in January 1992 — and that's after five years. However, if you shop around

and are willing to be flexible about where you work, you can find a better deal. Some particularly hard-pressed inner London districts will pay up to £1,500 on top of basic salaries and throw in other benefits. Tower Hamlets, for instance, where more than 200 children were turned away from school last year for lack of teachers, is offering low-rent housing. Others, such as the outer London borough of Sutton, are offering to pay moving costs and other packages valued up to an additional £9,500.

But even the perks are often

not enough to compensate. Ms Sian Dickens, 24, has just completed her probationary teaching year at Prestonmanor High School in the London borough of Brent, and says she is not sure she will teach beyond the year. As a technology teacher who trained in crafts, she works in a department where three of six instructors quit in the past year and she has had to train their replacements. Frequently, the school does not have enough supplies to allow children to carry through imaginative projects which they have designed themselves. "And on top of that, when you see your friends earning so much more, with a company car thrown in, it's kind of soul-destroying."

Still, conditions at different schools vary widely and conditions in different districts vary more widely still. Those looking for a post may wish to steer clear of districts that have been poll-tax capped. These are likely to be forced to engage in budget-cutting which, even if it means teacher jobs are spared, will reduce overall spending on education so that conditions are toughe

Ms Dickens said.

Mr Dick Bolland, assistant secretary of the NUT, urges graduates to interview prospective employers, Shop around for a job and take advantage of the trend among schools to advertise vacancies themselves, rather than having recruitment handled through the local education authority. These schools generally allow the applicant to visit the school informally, pre-interview, and meet the staff. "One of the most important things to ask is whether the school has a stable staff," Mr Bolland says. A high turnover could indicate low morale or tension. Also, a visit will allow you to get a better idea of how well resourced a school is.

Mr Bolland also suggests graduates ask about induction courses - the instruction offered to probationary year teachers to help them get to know their job. The level of a school's pastoral care for students is also an important part of a school's culture. Find out whether there is a co-ordinated effort to help troubled children, he suggests.

For those students who did not attend teacher training college, there are other ways to enter the profession. Graduates in any subject may go on for a one-year certificate, the Post Graduate Certificate in Education, for which local authority grants are available. Those who need to work while studying may apply to some local authorities to participate in the articled teacher scheme This allows you to teach part-time and attend classes part-time, achieving a PGCE in two years. Although the salary is greater than a university student's grant, it is less than that offered to new

Finally, those who would like to teach but cannot face any more schooling may consider working in the private sector. Many schools are willing to take graduates with good degrees and no teaching background. However, Mr Bolland warns that "there are dozens of educational bucket shops out there where pay is terrible and conditions are appalling". So choose your school carefully. Remember, they probably need you more than you need them. Further information: Department of Education Teaching as a Career Unit (TASC), Elizabeth House, York Road, London, SE 1, telephone 071-934 9000; National Union of Teachers, Hamilton House,

TELECOMS

#### Industry hanging on for big changes

THE UK telecommunications market is in the throes of extensive restructuring. Whereas a decade ago, the opportunities for graduates wishing to enter the industry were with British Telecom, which had a statutory monopoly to supply services. or with one of its traditional suppliers, there is now the chance to join either Mercury Communications or Racal Telecom - BT's two main competitors.

More competition is in prospect, as the government launches a wide-ranging review of telecommunications

policy this autumn. One effect of the BT monopoly was to dull the employment prospects of graduates entering the telecommunications market. A career with BT may have been a safe one, backed up with relatively good training, but it was not necessarily an exciting one. The advent of some competition and the prospect of even more is likely to change this, and to lead to upward pressure on salary

Much of this culture change will still take years to work through. BT is still the dominant employer in the market place and the largest recruiter of graduates. An ambitious graduate, therefore, might be advised to start with

BT to gain experience. Telecommunications companies are looking for a mixture of graduates with a background in electronic engineering and those with general or business degrees. The engineers will be used in research and development for new communications products the design of software and supervising maintenance and manufacturing. General and business degree graduates are in demand for marketing, finance, personnel and other functions.

There seems to be little or no discrimination between universities. And, except for say they are less concerned with the class of a person's degree than with his or her

has a had record is in the employment of women. The telephone companies say they wish to employ more women, but not enough apply. A number of mergers with foreign-owned companies has called into question the ability of Britain's leading telecommunications manufacturers to remain independent. Foreign ownership may be necessary to provide the economies of scale that are needed to develop the next generation of products. However, it raises

will be done abroad. BT is this year planning to employ 300 or more graduates. sharply down from the 700 it was quoting this time last year. The cutback seems due largely to a significant reorganisation, which involves making 5,000 managers

redundant. BT is now putting a greater emphasis on "quality" in the graduates it employs, a term it uses to mean candidates who have the potential to be senior managers and who are 'well-rounded". This change of emphasis is part of the company's strategy for bringing about a change in culture throughout the whole organisation. More than 70 per cent of the graduate intake will go into information technology or engineering functions. For these jobs, computing or networking experience at a university or polytechnic will be useful, but the company will consider training graduates who do not have any relevant degree to become computer programmers. Graduates going into research will usually need

fairly specific experience. The remaining graduates will be recruited into marketing, sales, finance and customer service. Almost any degree will do. BT is looking increasingly for people with combined degrees, such as engineering and management. Graduates will start on a

minimum of £10,000 a year, although most would be in the £11,500-£12,000 range. There is, in addition, a £2,250 inner London weighting. The company says that a good graduate who is ambitious could by the age of 30 have a company car and be earning a package worth £30,000.

Mercury, which is BT's only

rival for basic communications

British textiles: the industry is alive, but has been in recession almost since the war will be in the electronics and communications fields. The company will take graduates with any discipline for accounting, marketing and information systems. The dynamic Racal Telecom.

which runs the Vodafone cellular network, is recruiting 40 graduates this year. It will graduates of polytechnics and not disclose how much it plans research functions, employers to pay them, but last year the starting salary was £10,500. GPT is the largest equipment manufacturer in the UK. Next

year it expects to recruit 200 personality. graduates, down from the 300 it has been taking on in One area where the telecommunications industry previous years. About 60 per cent of the graduates should have experience in software; 20 per cent in electrical and electronic engineering; and 20 per cent in other disciplines. STC Telecommunications

is looking to recruit about 90 graduates next year, of which between 50 and 60 will become engineers. They should have backgrounds in software, computer sciences or electronic engineering. The rest will be used in marketing, manufacturing, personnel and finance, where business degrees or general arts degrees will be considered useful the possibility that some of the most interesting qualifications engineering and research work

A further 20 people will be employed by STL, the company's central research laboratories in Harlow, Essex.

The company is particularly keen to attract graduates with foreign languages, especially French, German, Italian and

**Hugo Dixon** PROFILE: BT

#### **Planning** on growing leaner and meaner

BRITISH Telecom is a vast organisation by any standards. With 220,000 employees, turnover of £12bn, and operating profits of more than £3bn, the company is not only one of the largest groups in the UK but also of the world.

BT's size, however, is as much a weakness as a strength. Six years after privatisation, it is still excessively bureaucratic. There is little sense of dynamism, and attempts to encourage BT's staff to treat customers more efficiently and courteously have produced only small improvements.

The lines of responsibility are stretched and blurred, with the result that customers often feel there is no mechanism for getting their problems solved. This sense of impotence can also be felt by the group's

Competition in the form of Mercury Communications has heen only a pinprick. Mercury has less than 5 per cent of the Renewed attempts, however, are now being made to shake BT up. There is a two-pronged attack: one being instigated by BT's top management; the other by the government.

As part of a massive reorganisation programme called Operation Sovereign, which was launched earlier this year. BT is attempting to cut out the bureaucracy by making 5,000 managers and 5,000 other staff redundant in twelve months. This may l followed by further job cuts

in subsequent years. The idea is to reduce the number of layers in the organisation so that decisions can be made more quickly and responsibility can be more clearly identified.

At the same time, BT is being restructured as a "customer facing organisation. This involves disbanding BT's previous structure based on 27 regional districts, which BT's top management felt were growing into independent baronies, and replacing them with two principal customer facing divisions - one for personal customers and the other for

business customers. Supporting these will be a worldwide network division, responsible for constructing and maintaining an advanced telecommunications infrastructure.

In parallel with these moves by BT, the government will unveil proposals later this year for more competition in the market, in an attempt to keep BT on its toes.

All this means that graduates joining BT next year will be entering the company at an interesting time, but also a time of great instability. If these initiatives are sufficient to instil the sense of dynamism that BT so desperately needs, graduates can look forward to the prospect that maybe five years from now their employer will be leaner and

Further information: See story

H.D. **TEXTILES** 

#### **Material** challenge to change

AT FIRST glance a career in the textile industry does not appear to be the most attractive option for an ambitious, young graduate. Textiles is, after all, an

an image

industry in decline. It has never succeeded in shrugging off its image of dark mills and sweatshops, and it has been one of the worst affected areas of manufacturing industry in the present economic recession.

staff in the past year or so. This summer the recession claimed its first big casualty when Coloroll, one of the leading companies in the industry, went into

receivership. But behind the headlines about rationalisation and redundancies, there are a number of large companies in the textile industry with a broad spread of international interests which are eager to attract ambitious young

managers for the future. Coats Viyella and Courtaulds Textiles, the biggest players in textiles, operate comprehensive graduate recruitment and training programmes. The other large forces – Dawson International, William Baird and Tootal – also offer

opportunities for graduates. The textile companies do recruit a number of graduates from the specialist textile courses at institutions such as UMIST in Manchester, **Huddersfield Polytechnic or** Leeds University. But they are also looking for people with general degrees in business studies, the arts or sciences. Costs and Courtsuids

Textiles see themselves as competing against the general round of industrial companies. As a result starting salaries

in textiles tend to be comparable with those elsewhere in industry. The graduate recruits at Coats tend to begin with a salary of around £11,500. The disadvantage of

choosing a career in textiles is, of course, the fragile condition of the industry. Textiles has been in decline throughout the post-war era since the newly-independent countries in Asia and Africa started to export cheap cloth and clothing to Europe.

There was a brief respite for the industry in the mid-1980s when the combination of buoyant domestic demand and a favourable exchange rate made the UK companies more competitive, but for the past two years the UK textile companies have been struggling in intensely

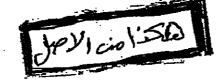
competitive conditions. The industry's problems have affected attitudes to recruitment. Courtaulds Textiles is looking for 30 new recruits this year, compared with its usual complement of around 50. Coats hopes to hire 35 people this year, two years

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ago it took on nearly 70. The large textile companies, of course, can offer everything from high-tech spinning mills to clothing factories crammed with machinists, to designers.

This means a young recruit can quickly build up experience of management in a wide variety of disciplines and cultures

Courtaulds Textiles' recruits tend to begin with a production job in one of its subsidiaries. "We like to make sure that they know how the product is made and how the



Mabledon Place, London WC

Continued from previous page management services. They then move on to more conventional areas of ... management such as marketing or finance. At the end of their three-

year "Young Managers Development Programme" the company discusses the sort of job that will best suit them.

Another advantage is the international scope of the textile industry. All the big companies own extensive overseas subsidiaries. Tootal, which has significant interests in Asla, now recruits its graduates on an international

Coats has a special programme for the crême de la creme of its graduate recruits who are sent abroad

immediately.

Taese people will be moved around its interests in Latin America or Asia and can expect to become directors of a small everseas subsidiary - sales director in Peru, for example - within two or three years.

So far would-be graduate recruits seem to have decided that the advantages of a career in textile outweigh the disadvantages. Coats Vivella received 1,500 applications for its 35 graduate openings last year - exactly the same number of applications as

Further information: British Textile Confederation, 7 Swallow Place, Oxford Circus, London WIR 7AA; Coats: Viyella, Bank House, Charlotte Street, Manchester M1 4ET; Courtanids Textiles, 13-14 Margaret Street, London W1A 3DA: Dawson International, 9 Charlotte Square, Kdinburgh KH2 4DR: Tootal,19-21 Spring Gardens, Manchester M60 2TL; William Balrd, 79 Mount Street, London W1Y 5HJ.

**Alice Rawsthorn** TRANSPORT.

#### **Move in** before the dust settles

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ADAPTABILITY ranks high among the attributes needed by anyone contemplating a career in Britain's passenger transport industry, for rarely in its history has it been in such a state of flux.

Never mind the unprecedented strain on the transport infrastructure caused by years of under-investment and a sudden upsurge in use, nor even the shift towards a more market-orientated approach in which passengers are increasingly referred to as customers. No, the really fundamental change reverberating throughout the industry is its gradual deregulation and privatisation. denationalisation of the bus industry in 1986 and could also transform the rail industry in the event of a Conservative victory at the next general

election. The 1985 Transport Act heralded a new era for the bus industry, sweeping away years of close control over route licences in favour of a system that allowed anyone to run a bus service - provided they did so safely. At the same time the state-owned National Bus Company was split into 72 local companies, and the big municipal operators were ordered to be put on a commercial footing with a view to gradual dispersal into

the private sector. The dust produced by this shake-up has yet to settle. The industry is now characterised by scores, even hundreds, of tiny to medium-sized companies, but the number is beginning to diminish as the strong absorb the weak. For graduates, the upside of the new system is that it

means anyone with entrepreneurial flair and access to capital can enter the fray as an independent operator - although the intensity of the competition suggests this is unlikely to be



Management trainses at London Buses get down to basics

a fast road to wealth. The downside is that the fragmentation of the industry means formal graduate training on any organised scale has virtually ceased. Where it exists at all, it is mostly done on a sporadic basis by individual companies through trawls of local universities and polytechnics.

One exception is London Buses, now easily Britain's biggest bus company pending its long-delayed privatisation: but even here, only four graduate management trainees will be taken on this year.

Starting pay at today's levels is about £12,500, and recruits spend up to three years training, inter alia picking up their PSV driving licence, before passing into a middle management job – say, as an assistant manager of a garage on about £15,000 to £16,000 basic. Ten years later, they might hope to be commercial director or managing director of one of the 11 operating subsidiaries, picking up £35,000 or more.

With the bus industry suffering from a sadly unglamorous image, however, most graduates with a transport bent head for British Rail or London Underground, where the opportunities are

BR, for example, recruits no fewer than 150 graduates a year on to an array of 11 schemes, ranging from general management, finance and personnel through to mechanical and electrical engineering, civil engineering and procurement. A further 60 graduates a year, recruited all year round, go into

computing. Starting pay varies widely by scheme because it is market orientated, but as a guide, the level for general management trainees is £10,500, and for engineers, £12,100. Neither figure includes London weighting of £1,295.

Working for BR offers a high degree of responsibility at an early age. After a year of training on all aspects of running a railway, a general management trainee can find him or herself on £12,200 (plus weighting if applicable) as a station manager in charge of a group of stations, signal boxes and train crew depots. After five or six years, he or she could be earning £24,000 basic as, say, route marketing manager for a line such as Thameslink.
Advantages of working for

BR include the wide geographical spread of employment opportunities, a degree of mobility between disciplines, tempting travel perks, and a strong commitment to equal opportunities. Promotion in the engineering functions, however, can be sluggish: and anyone looking for a quiet life should ponder the challenges inherent in a nationalised industry under immense pressure to transform itself. into a commercially-oriented, profit-making business in the run-up to its widely expected privatisation.

London Underground provides an alternative career on the railways for about 40 graduates a year. These are spread over 10 training

schemes ranging from passenger service management

to engineering functions. Starting pay is a competitive £13,000 plus free travel on the Underground and a 75 per cent discount on BR. After 15 months' training, a graduate might look forward to a first appointment as, say, a station manager earning between £15,000 and £19,000.

As with BR, train spotters

are best advised to play down their proclivities at the interview and stress their interest in business management instead. Says Alistair McIntosh, graduate recruitment manager: "An interest in the way a railway runs is an advantage, but we don't want people who see it as their own very large train set, because they tend to see things from an operational point of view rather than from a customer's point of view." Further information: Bus and Coach Training Ltd, Gable House, 40 High St, Rickmansworth, WD3 1ER: British Railways Board, **Euston House, 24 Eversholt** St, London NŴ1 1DZ; London Transport, 55 Broadway,

**Richard Tomkins** 

London SW1H 0BD.

#### Toss away your string vests and Yorkie bars

MENTION the distribution industry and the most immediate mental image is an overweight trucker, paunch held in place by a string vest and a steering wheel, thundering down the M1 in a 40-tonne truck with a Yorkie bar stuck in his mouth. This, it would be imagined, is not an industry for graduates. This image is, however, out of date. Since the early 1980s the distribution industry has undergone a transformation. For one thing, much of the sector now likes to call itself

the logistics industry. For another, the issue of controlling and transporting raw materials and finished goods has become a priority for many businesses anxious to reduce the amount of money they have invested in stocks. In a word, logistics have

become - almost - sexy. Not that the traditional trucking company - or trucker - does not exist. They do. There are still plenty of small general haulage companies in the business of shifting goods from point A to point B. Few, it should be said, are interested in graduate

The companies that are interested in graduates tend to be distribution and logistics specialists, involved in managing anything from vehicles to information technology, warehousing, route planning, inventory control and forward planning.

The largest recruiter in the field is NFC, formerly the National Freight Corporation, which takes on about 70 graduates a year from 1,300

applicants. The company says it will take on trainees from any discipline, although it also looks for students from commuter studies courses to work in its information technology departments.

This year NFC also took on six graduates from France and is looking to find trainees from Germany and Spain as well to reflect the company's long-term strategic interests. NFC employed 14 women last year from a total of 70 graduates and would like to sign up more, but suffers from a shortage of applications from female students.

The company also offers work experience and sendwich course industrial experience on either six- or 12-month placements. A number of those on these placements are subsequently asked to apply

for traineeships.

The main asset needed to work for NFC is people management, according to Mr Barr. He says he is looking for people with the potential to develop management skills. Distribution has become increasingly customer-orientated, and the

ability to communicate effectively with others and create a partnership with the customer is important. Another critical ability he

says the company looks for is dependability. "We're looking for people who, if they say they are going to do something, do it," he says. The intellectual calibre of trainees is also becoming increasingly important, says Mr Victor Ross, the group

personnel director of the transport division, BRS. A new graduate at NFC is allocated to one of the divisions within the group, ranging from Exel Logistics to Pickfords or BRS, the transport company which takes on the largest number of graduates. Each division has specialist training, although all the trainees do the certificate of professional

The job involves early and significant responsibility, explains Mr Barr. Part of the attraction of working in the sector is that there are so many small locations that there are opportunities to become responsible for a profit-centre early in his or ber career.

After three years, a graduate could be running a branch with 20 people, three or four product lines and a turnover of £3m a year with a salary of about £20,000. Beyond that depends on the graduate.

The company has an established goal-setting programme (two former trainees are now on the board of the company).

One of the disadvantages of joining NFC used to be that managers became locked into one of the divisions. However, the company is now trying to add breadth to its managers'

careers. Graduates should also expect to relocate for the company relatively often - mobility is pretty much essential. If it's an attraction, there are also opportunities to work in the US. where NFC has significant. and expanding interests. Salaries start at £11,200 a year, to which is added the benefit of a profit-sharing scheme which can be as high as 30 per cent of salary. The retention rate at the BRS division after five years is about 71 per cent.

Other companies that recruit in the distribution sector include Christian Salveser Distribution, which annually takes on about 30 trainees, of which about five are graduates with degrees in transport and distribution services. Tip, the Transport

Development Group, and Tiphook also recruit, as do a number of large retail companies such as Tesco and Marks and Spencer for their distribution departments. Further information: **Commercial Motor and Motor** Transport magazines: the Road Haulage Association, telephone 0932-84 1515; the Freight Transport Association, telephone 0892-26171; and the Chartered Institute of Transport, telephone 071-636

Paul Abrahams

ZOOLOGY

ZOOLOGY

#### **Not many** coats to fit these graduates

WHEN Sarah Talbot, a zoology undergraduate, visited her university careers adviser, he suggested that given her interest in animals and in the countryside she should consider dog-breeding as an occupation.

Careers advisers are often at a loss when advising zoology graduates. It is a discipline for which there are few obvious careers - and of those which are available, not many are well paid.

So what do zoology graduates do? Some pursue an academic career, earning a PhD along the way. They may become the world's leading expert on the courtship behaviour of the crested newt.

or an authority on bird song. However, academic life is not particularly well paid. Ten years after graduating you could still be earning £10,000 to £12,000. Once you become a specialist it may prove difficult to move into unrelated areas of research. Academic life also usually entails a fair amount of teaching undergraduates. Although this is a useful means of boosting income, some see it as a chore and a distraction from their research.

Zoology covers many areas biochemistry, genetics, cell biology, ecology, entomology and animal behaviour – and there are jobs in industry for graduates specialising in these fields.

For example, New Scientist frequently advertises research assistant jobs for biology/ zoology graduates. The big pharmaceuticals and chemicals companies employ such graduates to help run laboratory experiments and field trials. Salaries are usually between £10,000 to £14,000. Some cosmetics firms make

a point of not using animals for testing products, but plenty of chemicals companies do use them and will continue to do



Zoologists think the most glamorous career is on TV

so mainly because of health and safety requirements. So there will always be a demand for lab assistants to look after animals.

However, if you are more interested in "making a career" as a scientist, you should first consider getting an MSc or PhD. That will make you more valuable when it comes to applying for jobs in industry.
One of the biggest employers

of zoologists who have specialised in entomology is the pesticide industry. Chemicals companies such as ICI, Wellcome, Shell, Ciba-Geigy, Sandoz, and Schering are constantly developing and testing new products for pest control. As a zoologist, you could work on the development side or be involved on the monitoring side, seeing what effect - if any - pesticides have on the environment. Such a job may involve travelling abroad to conduct field trials.

Increased environmental awareness means that zoologists with an ecological background can apply their skills to industry and business. With the growth of the Green movement some industrial companies consider it worthwhile to employ

environmental advisers or consultants to monitor pollution at their factories and advise on ways of reducing the emission of pollutants.

Some of the water boards, for example Thames Water Board, hire a handful of zoologists with ecological expertise to look after the nature reserves on their land. Salaries are likely to be in the range of £14,000 to £16,000. However, the real growth

has taken place in the number of small private consultancies: you need to have the ecological expertise and marketing skills to be successful, running research projects on short-term contracts for industry. Many zoologists think the

most glamorous career must be in television, working as a researcher or producer of wildlife programmes for the BBC. It is an extremely competitive field to enter. For every Desmond Morris or David Attenborough to emerge on the TV screen, there are scores of zoologists who don't make it to the cutting room. Further information: There is no central body, so graduates would be advised to consult their university career advisers.

Sara Webb

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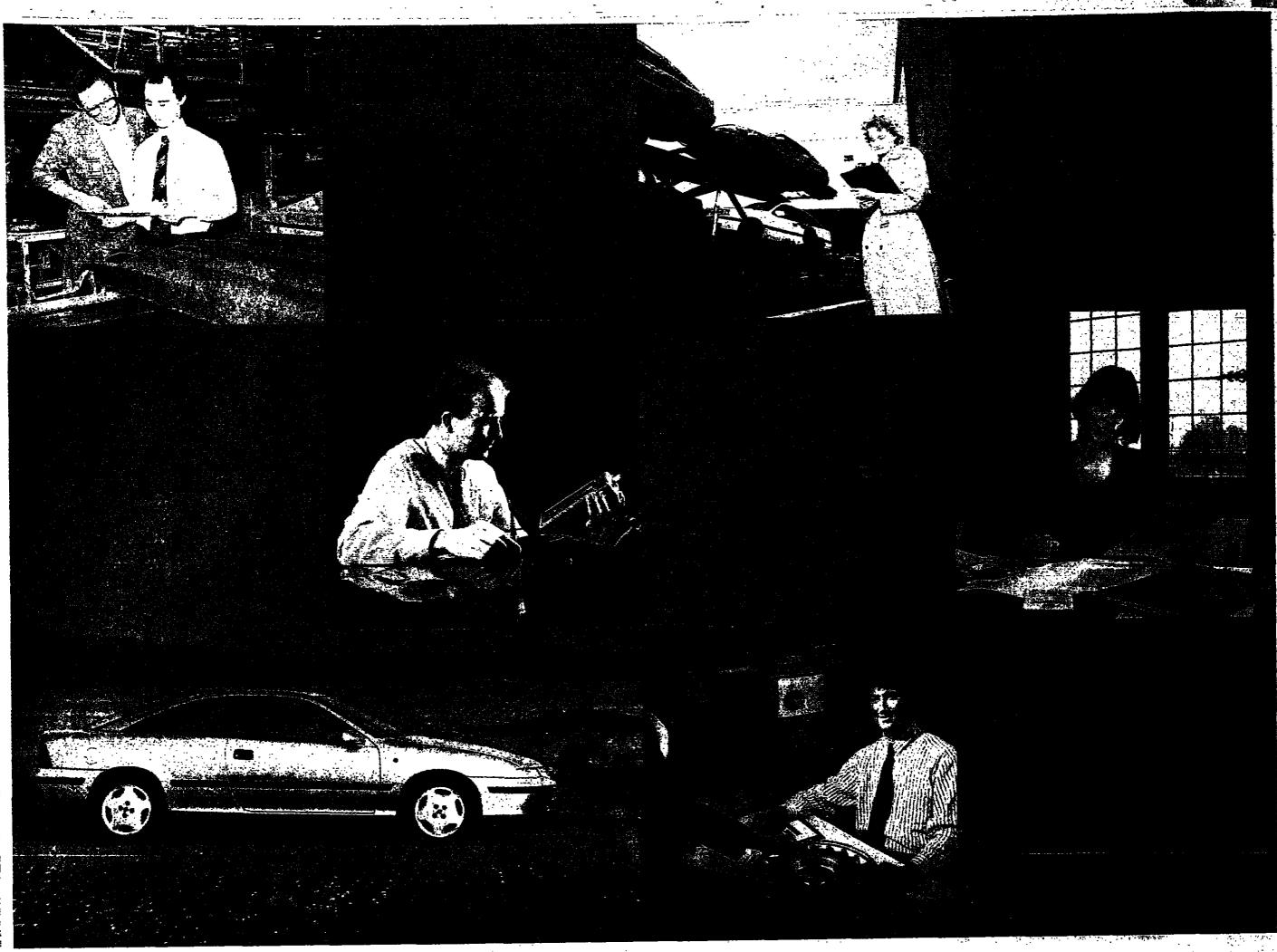
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